**Redington International Mauritius Limited
and its Subsidiaries - Mauritius**

**Report and consolidated financial statements
for the year ended 31 March 2023**

Redington International Mauritius Limited and its Subsidiaries - Mauritius

Table of contents

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Redington International Mauritius Limited
Ebene
Mauritius

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Redington International Mauritius Limited, Mauritius** (the "Company") and its Subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 March 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Group's consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as the Directors determine is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors 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 the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT

to the Board of Directors of Redington International Mauritius Limited (continued)

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 ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represents 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 group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

This report is made solely to the Company's shareholder, as a body. Our audit work has been undertaken so that we might state to the Company's shareholder those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte & Touche (M.E.)

Deloitte & Touche

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15 May 2023
Dubai
United Arab Emirates

Consolidated statement of financial position as at 31 March 2023

	Notes	2023 US$	2022 US$
ASSETS			
Non-current assets			
Property and equipment	6	**7,625,314**	8,399,475
Other intangible assets	7	**34,596,626**	34,247,602
Goodwill	8	**8,428,468**	6,063,353
Deferred tax asset	9(b)	**1,361,984**	791,399
Right-of-use assets	22	**14,087,047**	14,953,740
Investment property	10	**1,384,101**	-
Total non-current assets		**67,483,540**	64,455,569
Current assets			
Inventories	11	**530,952,312**	323,330,179
Trade and other receivables	12	**802,449,661**	598,329,164
Other financial assets	13	**13,342,165**	45,364,500
Cash and cash equivalents	14	**153,917,199**	268,767,314
Due from related parties	21	**10,038,049**	12,898,801
Derivative financial assets		**589,688**	2,043,541
Property held for sale		**-**	925,180
Total current assets		**1,511,289,074**	1,251,658,679
Total Assets		**1,578,772,614**	1,316,114,248
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**27,668,025**	27,668,025
Share premium		**33,731,903**	33,731,903
Capital reserve	16	**45,655,936**	45,655,936
Equity-settled employee benefits reserve		**2,866,545**	2,866,545
Cumulative translation adjustment reserve		**(31,684,855)**	(23,402,521)
Re-measurement of defined benefit obligation		**(487,082)**	(1,803,450)
Retained earnings	17	**392,962,065**	354,107,508
Equity attributable to equity holders of the Company		**470,712,537**	438,823,946
Non-controlling interests	1(k)	**44,519,310**	42,583,992
Total equity		**515,231,847**	481,407,938
Non-current liabilities			
Employees' end-of-service indemnity	18	**15,786,504**	15,339,328
Bank borrowings, non-current portion	19	**6,141,131**	11,892,669
Lease liabilities, non-current portion	22	**7,524,547**	9,264,479
Deferred tax liability	9(b)	**672,120**	1,117,459
Total non-current liabilities		**30,124,302**	37,613,935
Current liabilities			
Bank borrowings, current portion	19	**174,636,275**	70,524,210
Trade and other payables	20	**839,180,438**	712,636,856
Due to related parties	21	**2,000,190**	58,774
Lease liabilities, current portion	22	**4,885,794**	3,984,847
Income tax payable	9(a)	**12,713,768**	9,887,688
Total current liabilities		**1,033,416,465**	797,092,375
Total Liabilities		**1,063,540,767**	834,706,310
Total Equity and Liabilities		**1,578,772,614**	1,316,114,248

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Director

The accompanying notes form an integral part of these consolidated financial statements

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2023

	Notes	2023 US$	2022 US$
Trading revenue		**4,904,500,262**	4,181,602,734
Service revenue		**89,785,326**	88,244,078
Other income		**12,618,128**	7,461,931
Total revenue		**5,006,903,716**	4,277,308,743
Changes in inventories of finished goods		**(4,656,808,867)**	(3,989,719,784)
Employee benefits		**(101,431,396)**	(83,714,674)
Finance costs		**(23,286,349)**	(13,562,598)
Depreciation and amortisation expenses	24	**(11,265,523)**	(10,715,587)
Other expenses	23	**(104,224,585)**	(66,713,662)
Non-underlying item net monetary gain arising from hyperinflationary economy	25	**4,674,311**	-
Total expenses		**(4,892,342,409)**	(4,164,426,305)
Profit before tax		**114,561,307**	112,882,438
Income tax expense	9(c)	**(17,867,218)**	(13,879,672)
Profit for the year		**96,694,089**	99,002,766
Other comprehensive loss - net			
Items that may be reclassified subsequently to profit or loss:			
Transfer to cumulative translation adjustment reserve		**(14,559,920)**	(26,408,587)
Impact of application of IAS 29 on the beginning balance of non-monetary items		**3,165,507**	-
Re-measurement of defined benefit obligation		**1,316,368**	(1,029,791)
Total comprehensive income for the year		**86,616,044**	71,564,388
Profit for the year attributable to:			
Equity holders of the Company		**90,854,557**	94,298,048
Non-controlling interests	1(k)	**5,839,532**	4,704,718
		96,694,089	99,002,766
Total comprehensive income for the year attributable to:			
Equity holders of the Company		**83,888,591**	79,995,410
Non-controlling interests		**2,727,453**	(8,431,022)
		86,616,044	71,564,388

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 March 2023

	Share capital US$	Share premium US$	Capital reserve US$	Equity settled employee benefits reserve US$	Cumulative translation adjustment reserve US$	Re-measurement of defined benefit obligation US$	Retained earnings US$	Equity attributable to equity holders of the Company US$	Non-controlling interests US$	Total US$
Balance as at 1 April 2021	27,668,025	33,731,903	45,655,936	2,866,545	(10,129,674)	(773,659)	310,809,460	409,828,536	51,015,014	460,843,550
Profit for the year	-	-	-	-	-	-	94,298,048	94,298,048	4,704,718	99,002,766
Re-measurement of defined benefit obligation (Note 18)	-	-	-	-	-	(1,029,791)	-	(1,029,791)	-	(1,029,791)
Cumulative translation adjustment reserve	-	-	-	-	(13,272,847)	-	-	(13,272,847)	(13,135,740)	(26,408,587)
Total comprehensive income for the year	-	-	-	-	(13,272,847)	(1,029,791)	94,298,048	79,995,410	(8,431,022)	71,564,388
Dividend declared to Parent Company [Note 31(a)]	-	-	-	-	-	-	(51,000,000)	(51,000,000)	-	(51,000,000)
Balance as at 31 March 2022	27,668,025	33,731,903	45,655,936	2,866,545	(23,402,521)	(1,803,450)	354,107,508	438,823,946	42,583,992	481,407,938
Profit for the year	-	-	-	-	-	-	90,854,557	90,854,557	5,839,532	96,694,089
Re-measurement of defined benefit obligation (Note 18)	-	-	-	-	-	1,316,368	-	1,316,368	-	1,316,368
Cumulative translation adjustment reserve	-	-	-	-	(9,846,094)	-	-	(9,846,094)	(4,713,826)	(14,559,920)
Impact of application of IAS 29 on the beginning balance of non-monetary items	-	-	-	-	1,563,760	-	-	1,563,760	1,601,747	3,165,507
Total comprehensive income for the year	-	-	-	-	(8,282,334)	1,316,368	90,854,557	83,888,591	2,727,453	86,616,044
Dividend declared to Parent Company [Note 31(a)]	-	-	-	-	-	-	(52,000,000)	(52,000,000)	-	(52,000,000)
Dividend declared to non-controlling interest [Note 31(b)]	-	-	-	-	-	-	-	-	(792,135)	(792,135)
Balance as at 31 March 2023	**27,668,025**	**33,731,903**	**45,655,936**	**2,866,545**	**(31,684,855)**	**(487,082)**	**392,962,065**	**470,712,537**	**44,519,310**	**515,231,847**

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2023

	2023 US$	2022 US$
Cash flows from operating activities		
Profit before taxation	**114,561,307**	112,882,438
Adjustments for:		
Finance costs	**23,286,349**	13,562,598
Depreciation of right-of-use assets	**5,387,981**	5,162,424
Allowance for slow-moving inventories	**8,802,825**	4,066,370
Current service cost on employees' end-of-service indemnity	**2,778,324**	3,138,007
Amortisation of other intangible assets	**3,122,241**	2,958,763
Depreciation of property and equipment	**2,755,301**	2,594,400
Provision for general risk	**-**	2,500,000
Expected credit losses	**6,210,670**	3,593,912
(Gain)/loss on change in fair value of investment property/property held for sale	**(458,921)**	155,771
Loss on disposal of property and equipment	**20,440**	13,061
Write-off of intangible assets	**-**	12,249
Loss/(gain) on increase in fair value of derivative financial assets	**1,453,853**	(2,043,541)
Interest income	**(6,574,708)**	(3,814,611)
Net monetary gain from application of IAS 29 – non-monetary items	**(3,829,345)**	-
Operating cash flow before changes in operating assets and liabilities	**157,516,317**	144,781,841
Decrease in other financial assets	**36,202,479**	28,331,400
Decrease in due from related parties	**2,860,752**	9,524,941
Increase in trade and other receivables	**(210,331,167)**	(46,216,730)
Increase in inventories	**(215,773,922)**	(82,547,859)
Increase in trade and other payables	**126,884,074**	38,752,964
Increase in due to related parties	**1,941,416**	53,024
Cash (used in)/generated from operations	**(100,700,051)**	92,679,581
Employees' end-of-service indemnity paid	**(1,505,777)**	(1,903,828)
Income tax paid	**(16,587,991)**	(11,961,168)
Net cash (used in)/ generated from operating activities	**(118,793,819)**	78,814,585
Cash flows from investing activities		
Purchase of property and equipment	**(2,397,106)**	(2,521,960)
Purchase of other intangible assets	**(546,213)**	(879,834)
Proceeds from disposal of property and equipment	**595,167**	164,071
Interest received	**6,574,708**	3,814,611
Net cash outflow from acquisition of a subsidiary	**-**	(24,898,429)
Increase in other financial assets	**(4,180,144)**	-
Net cash generated from/(used in) investing activities	**46,412**	(24,321,541)
Cash flows from financing activities		
Proceeds from bank borrowings under trust receipts - net	**89,240,882**	-
Proceeds from bank loans - net	**5,463,842**	25,803,590
Proceeds from bank overdraft - net	**3,655,803**	2,395,977
Dividends paid to Parent Company	**(52,000,000)**	(52,026,671)
Dividends paid to non-controlling interest	**(792,135)**	-
Repayment of lease liability	**(5,000,507)**	(4,100,367)
Finance costs paid	**(23,798,661)**	(13,377,194)
Net cash generated from/(used in) financing activities	**16,769,224**	(41,304,665)
Net (decrease)/increase in cash and cash equivalents	**(101,978,183)**	13,188,379
Cash and cash equivalents at the beginning of the year	**268,767,314**	281,896,641
Effects of exchange rate changes on cash and cash equivalents held in foreign currencies	**(12,871,932)**	(26,317,706)
Cash and cash equivalents at the end of the year (Note 14)	**153,917,199**	268,767,314

The accompanying notes form an integral part of these consolidated financial statements.

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

1. Status and operations

a) Redington International Mauritius Limited (the “Company”) was incorporated in Mauritius with limited liability on 16 July 2008. During the year ended 31 March 2022, the Company changed its business category from Category 2 - Global Business License Company to Authorized Company.

b) The Company and its subsidiaries are together referred to as the “Group”.

c) The parent and ultimate controlling party is Redington Limited [formerly known as Redington (India) Limited] (the “Parent Company”).

d) The principal activity of the Group is distribution of Information Technology and Telecommunication products and spare parts, providing hardware support and maintenance services for Information Technology and Telecommunication products.

e) The address of the registered office of the Company is Apex House, Bank Street, TwentyEight, Cybercity, Ebene, 72201, Mauritius.

f) Details of the Company’s subsidiary as at 31 March 2023 are as follow:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Gulf FZE (RGF)	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.

The Company also controls the following sub-subsidiaries through its wholly owned subsidiary, RGF.

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Cadensworth FZE	100	100	Dubai, U.A.E.	Distribution of information technology products and spare parts.
Redington Middle East LLC	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Cadensworth United Arab Emirates (LLC)	100	100	Dubai, U.A.E.	Distribution of information technology products, providing hardware support and maintenance services.
Redington Gulf & Co. LLC	70	100	Muscat, Oman	Distribution of information technology products, providing hardware support and maintenance services.
Redington Turkey Teknoloji A.Ş.	100	100	Istanbul, Turkey	Distribution of information technology products.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest %*	*Beneficial interest %*	*Place of registration and operation*	*Principal activities*
Ensure Services Arabia LLC	100	100	Riyadh, Kingdom of Saudi Arabia	Providing hardware support and maintenance services.
Redington South Africa Pty (formerly Ensure IT Services (Pty) Ltd.)	100	100	Johannesburg, South Africa	Providing hardware support and maintenance services.
Ensure Services Bahrain S.P.C. (formerly Redington Bahrain S.P.C.) [Note 1(h)]	100	100	Manama, Kingdom of Bahrain	Providing hardware support and maintenance services.
Redington Gulf FZE Co. [Note 1(h)]	100	100	Erbil, Iraq	Distribution of information technology products, providing hardware support and maintenance services.
Redington Egypt Ltd. (Limited Liability Company)	100	100	Cairo, Egypt	Distribution of information technology products, providing hardware support and maintenance services.
Africa Joint Technical Services	65	100	Tripoli, Libya	Providing hardware support and maintenance services.
Redington Morocco Ltd.	100	100	Casablanca, Morocco	Distribution of information technology products, providing hardware support and maintenance services.
Redington Kenya Limited	100	100	Nairobi, Kenya	Distribution of information technology products, providing hardware support and maintenance services.
Redington Kenya (EPZ) Limited [Note 1(h)]	100	100	Nairobi, Kenya	Distribution of information technology products, providing hardware support and maintenance services.
Redington Tanzania Limited	100	100	Dar e saalam, Tanzania	Distribution of information technology products, providing hardware support and maintenance services.
Redington Uganda Limited	100	100	Kampala, Uganda	Distribution of information technology products, providing hardware support and maintenance services.
RNDC Alliance West Africa Limited	100	100	Lagos, Nigeria	Distribution of information technology and telecommunication products.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
CDW International Trading FZCO	100	100	Dubai, U.A.E.	Trading of information technology and telecommunication products.
Redington Angola Ltd.	100	100	Luanda, Angola	Distribution of information technology products, providing hardware support and maintenance services.
Redington Limited	100	100	Accra, Ghana	Distribution of information technology products, providing hardware support and maintenance services.
Redington Rwanda Ltd.	100	100	Kigali, Rwanda	Distribution of information technology products, providing hardware support and maintenance services.
Redington Turkey Holdings S.A.R.L. (RTHS)	100	100	Luxembourg City, Grand Duchy of Luxembourg	Investment in companies which are engaged in supply chain and related businesses.
Redington Kazakhstan LLP	100	100	Almaty, Kazakhstan	Distribution of information technology and telecommunication products.
Ensure Gulf FZE	100	100	Dubai, U.A.E.	Providing hardware support and maintenance services.
Proconnect Supply Chain Logistics LLC	100	100	Dubai, U.A.E.	Providing logistic services.
Redington Senegal Limited S.A.R.L.	100	100	Dakar, Senegal	Distribution of information technology and telecommunication products.
Redington Saudi Arabia Distribution Company	100	100	Riyadh, Saudi Arabia	Distribution of information technology and telecommunication products.
Citrus Consulting Services FZ LLC	100	100	Dubai, U.A.E.	Providing technology consulting services.
Redington Saudi for Trading	100	100	Riyadh, Saudi Arabia	Wholesale of electronic household appliances, telecommunication products and cosmetics.
Redington Bahrain WLL [Note 1(g)]	49	100	Manama, Bahrain	Distribution of information technology and telecommunication products.
Redington Gulf Arabia for Information Technology [Note 1(j)]	100	100	Riyadh, Saudi Arabia	Providing software and consultancy services.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

1. Status and operations (continued)

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Gulf FZE Jordan [Note 1(g)]	49	100	Amman, Jordan	Distribution of information technology and telecommunication products.

Ensure Gulf FZE has the following subsidiaries:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington South Africa Distribution (Pty) Ltd.	100	100	KwaZulu-Natal, South Africa	Providing hardware support and maintenance services.
Ensure Middle East Trading LLC [Note 1(h)]	100	100	Dubai, U.A.E.	Providing hardware support and maintenance services.
Ensure Middle East Technology Solutions LLC [Note 1(g)]	49	100	Abu Dhabi, U.A.E.	Providing hardware support and maintenance services.

Proconnect Supply Chain Logistics LLC has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Proconnect Saudi LLC	100	100	Riyadh, Saudi Arabia	Providing logistics services.

Redington Egypt Ltd. has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Redington Distribution Company	99	100	Cairo, Egypt	Distribution of information technology and telecommunication products.

Redington Turkey Holdings S.A.R.L. has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Arena Bilgisayar Sanayi ve Ticaret A.S. [Note 1(g)]	49.4	49.4	Istanbul, Turkey	Distribution of information technology and telecommunication products.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

1. Status and operations (continued)

Arena Bilgisayar Sanayi ve Ticaret A.S. has the following subsidiaries:

Name of subsidiaries	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Arena International FZE	100	100	Dubai, U.A.E.	Computer software trading, computer equipment requisites trading, telephones and telecommunication equipment trading, computer and data processing requisites trading.
PayNet Odeme Hizmetleri A. S.	100	100	Istanbul, Turkey	Payment intermediation services.
Online Electronik Ticaret Hizmetleri A.S.	100	100	Istanbul, Turkey	Online electronics retail and market.
Arena Mobile Iletisim Hizmetteri ve Turketici Elektronigi Sanayi ve Ticaret A.S.	100	100	Istanbul, Turkey	Wholesale trade of mobile phones and other mobile devices.
Arena Connect Teknoloji Sanayi ve Ticaret A.S. (formerly Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti) [Note 8(b)]	100	100	Istanbul, Turkey	Distribution of information technology and telecommunication products.

PayNet Odeme Hizmetleri A. S. has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Paynet (Kibris) Odeme Hizmetleri Limited	100	100	Gazimagusa, Cyprus	Payment intermediation services.

Arena Connect Teknoloji Sanayi ve Ticaret A.S. (formerly Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti) has the following subsidiary:

Name of subsidiary	*Ownership interest* %	*Beneficial interest* %	*Place of registration and operation*	*Principal activities*
Arena Connect İletişim ve Servis Limited Şirketi (formerly MPX İletişim ve Servis Limited Şirketi) [Note 8(b)]	100	100	Istanbul, Turkey	Distribution of information technology and telecommunication products.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

1. Status and operations (continued)

g) For the entities listed above where the Company owns less than 50% of the equity shares, the Company has the power over these entities, is exposed to or has rights to variable returns from its involvement with these entities and has the ability to use its power over these entities to affect its returns and therefore exercises effective control. Consequently, these entities are considered as subsidiaries and sub-subsidiaries of the Company and are consolidated in these consolidated financial statements.

h) As part of corporate restructuring, the businesses carried on by these entities have been transferred to other RGF subsidiaries in the respective geographies and these entities are under liquidation as of 31 March 2023.

i) On 26 May 2022, the Board of Directors approved the transfer of shares held in Redserv Business Solutions Private Limited to Redserv Global Solutions Limited.

j) During the year, RGF incorporated wholly-owned subsidiary, Redington Gulf Arabia for Information Technology in Saudi Arabia with a share capital of US$ 100,185.

Non-controlling interests in subsidiaries

k) The table below shows details of non-wholly owned subsidiary of the Group that have non-controlling interests:

Name of Subsidiary	*Country of incorporation*	*Proportion of ownership interests and voting rights held by non-controlling interest*		*Profit allocated to non-controlling interests*		*Accumulated non-controlling interests*	
		2023	2022	**2023**	2022	**2023**	2022
		%	%	**US$**	US$	**US$**	US$
Arena Bilgisayar Sanayi ve Ticaret A.S. (Arena)	Istanbul, Turkey	**50.6**	50.6	**5,839,532**	4,704,718	**44,519,310**	42,583,992

The summarised consolidated financial information below of a non-wholly owned subsidiary, Arena, with a material non-controlling interest represents amounts before intragroup eliminations:

	2023	2022
	US$	US$
Current assets	**363,355,390**	272,061,746
Non-current assets	**21,164,372**	18,598,082
Current liabilities	**314,138,895**	216,062,110
Non-current liabilities	**8,569,425**	14,788,913
Equity attributable to equity holders of Arena	**61,811,442**	59,808,803
Revenue	**1,121,751,895**	720,302,814
Profit for the year attributable to equity holders of Arena	**11,540,578**	9,297,861
Profit for the year attributable to non-controlling interest	**-**	-
	11,540,578	9,297,861

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

1. Status and operations (continued)

Non-controlling interests in subsidiaries (continued)

k) The table below shows details of non-wholly owned subsidiary of the Group that have non-controlling interests (continued):

The summarised consolidated financial information below of a non-wholly owned subsidiary, Arena, with a material non-controlling interest represents amounts before intragroup eliminations (continued):

	2023 US$	2022 US$
Total comprehensive income/(loss) attributable to equity holders of Arena	**5,203,977**	(16,793,170)
Total comprehensive income attributable to non-controlling interest	**-**	-
Total comprehensive income/(loss)	**5,203,977**	(16,793,170)
Net cash from operating activities	**17,069,839**	36,655,397
Net cash from/(used in) investing activities	**2,489,351**	(25,318,051)
Net cash used in financing activities	**(14,372,874)**	(741,770)

2. Application of new and revised international financial reporting standards (IFRSs)

2.1 New and amended IFRSs that are effective for the current year

In the current financial year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2022.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

<u>New and revised IFRSs</u>	***<u>Summary</u>***
Amendments to IAS 16 *Property, Plant and Equipment* relating to Proceeds before Intended Use	The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.
Annual Improvements to IFRSs 2018 – 2020	Makes amendments to the following standards: • IFRS 1 *First-Time Adoption of International Financial Reporting Standards* – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

2. Application of new and revised international financial reporting standards (IFRSs) (continued)

2.1 New and amended IFRSs that are effective for the current year (continued)

New and revised IFRSs	***Summary***
Annual Improvements to IFRSs 2018 – 2020 (continued)	Makes amendments to the following standards (continued): • IFRS 9 *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. • IFRS 16 *Leases* – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS 41 *Agriculture* – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
Amendments to IFRS 3 *Business Combinations* relating to Reference to the Conceptual Framework	The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.
Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* relating to Onerous Contracts - Cost of Fulfilling a Contract	The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Other than the above, there are no other significant IFRSs amendments that were effective for the first time for the financial year beginning on or after 1 January 2022.

2.2 New and revised IFRSs in issue but not yet effective and not early adopted

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	***Effective for annual periods beginning on or after***
IFRS 17 *Insurance Contracts*	1 January 2023
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.	

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

2. Application of new and revised international financial reporting standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IFRS 17 *Insurance Contracts*	1 January 2023
This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.	
The amendment relates to insurers' transition to the new Standard only―it does not affect any other requirements in IFRS 17.	
IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences can cause temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when applying IFRS 17 and IFRS 9 for the first time.	
The amendment will help insurers to avoid these temporary accounting mismatches and, therefore, will improve the usefulness of comparative information for investors. It does this by providing insurers with an option for the presentation of comparative information about financial assets.	
Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2	1 January 2023
The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	
Amendments to IAS 12 *Income Taxes* relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2023
The amendments replace the definition of a change in accounting estimates 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. The amendments clarify that a change in accounting estimate that results from new information or new developments is not correction of an error.	

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

2. Application of new and revised international financial reporting standards (IFRSs) (continued)

2.2 New and revised IFRSs in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	***Effective for annual periods beginning on or after***
Amendments to IFRS 16 *Leases* The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements* The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	1 January 2024
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the year of initial application.

3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

3. Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.1 Significant changes during the current year

As of 31 March 2023, an adjustment has been made in accordance with the requirements of IAS 29, Financial Reporting in Hyperinflationary Economies (“IAS 29”) regarding the changes in the general purchasing power of the Turkish Lira (TRY). The terms of IAS 29 require that financial statements prepared in the currency in circulation in the economy with hyperinflation should be expressed in the unit of measurement valid at the reporting date and the amounts in previous periods should be prepared in the same way. One of the requirements for the application of IAS 29 is a three-year cumulative inflation rate approaching or exceeding 100%. The correction was made using the correction factor obtained from the Consumer Price Index in Turkey published by Turkish Statistical Institute (“TUIK”).

The indices and adjustment factors used to prepare the consolidated financial statements are as follows:

Date	Index	Factor	Three-year cumulative inflation rate
31 March 2023	11,152	1,000	179.4%
31 March 2022	7,410	1,505	106.0%
31 March 2021	4,598	2,425	52.7%

IAS 29 is applicable for the subsidiaries which functional currencies are TRY. These subsidiaries are PayNet Odeme Hizmetleri A.S., Online Electronik Ticaret Hizmetleri A.S., Arena Mobile Iletisim Hizmetteri ve Turketici Elektronigi Sanayi ve Ticaret A.S., Paynet (Kibris) Odeme Hizmetleri Ltd., Arena Connect Teknoloji Sanayi ve Ticaret A.S. and Arena Connect Iletisim ve Servis Limited Sirketi.

The following methods are used in initial application of IAS 29 for the subsidiaries which functional currencies are TRY before consolidation to these consolidated financial statements:

- All assets and liabilities including goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of these subsidiaries have been restated in accordance with IAS 29.
- Comparative amounts presented previously in stable currency are not restated and the differences between the closing equity of the previous year and opening equity of the current year are accounted in other comprehensive income as a translation adjustment.
- All items in the statement of financial position, statement of equity, and statement of profit or loss and other comprehensive income of the subsidiaries which functional currencies are TRY are translated to USD using the closing rate method as at 31 March 2023 (USD/TRY: 19.146).

Total cumulative effect of restating non-monetary items in accordance with IAS 29 is USD 3.2 million as of 1 April 2022 and has a corresponding impact to other comprehensive income.

4. Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS.

These consolidated financial statements are presented in United States Dollars (US Dollar) since the functional and operating currencies of the key group companies are linked to US Dollar and the majority of the Group's business is transacted in US Dollars or linked currencies. The following is a summary of the significant accounting policies adopted:

Basis of accounting

The consolidated financial statements have been prepared on the historical cost basis except for derivative financial assets which is valued at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method except for 'common control' transactions that are accounted for at book values. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

Property and equipment

Property and equipment, are stated at cost less accumulated depreciation and any recognised impairment loss. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when incurred.

The cost of property and equipment, is depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Building	20
Warehouse equipment	5
Furniture and fixtures	4-10
Motor vehicles	3-5
Leasehold improvements	3-5
Office equipment	5-8
Computers	3-5

The estimated useful lives and depreciation method is reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Intangible assets (continued)

Intangible assets acquired in a business combination (continued)

The following useful lives are used in the calculation of amortisation:

	Years
Trade name	Indefinite
Customer relationship	7
Software	3 – 5

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

Impairment of tangible and intangible assets other than goodwill

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If` any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as expense immediately, unless the relevant asset is land or buildings other than investment property carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash- generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Property held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Investment property

Investment property is property held for capital appreciation. Investment property is measured at fair value with any change therein recognized in consolidated statement of profit or loss.

Investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property is included in the consolidated statement of profit or loss in the period in which the property is derecognised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employee benefits

The Group operates a defined benefit plan. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Group's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method at each reporting date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognised in other comprehensive income in the period in which they occur. The Group determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the defined benefit liability during the period as a result of contribution and benefit payments. Net interest expenses related to defined benefit plan are recognised in "Finance costs" in the consolidated statement of profit or loss and other comprehensive income.

Equity-settled share-based payments

The Group operates a number of equity-settled, share based compensation plans. The fair value of the employee services received in exchange for the grant of the shares/options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares/options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in the assumptions about the number of shares/options that are expected to vest. At each reporting date, the group revises its estimates of the number of shares/options that are expected to vest. It recognizes the impact of the revision to original estimates, if any, in the profit or loss, with a corresponding adjustment to retained earnings.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Equity-settled share-based payments (continued)

The Parent Company, Redington Limited, has granted rights to its equity instruments to the employees of the Group and its subsidiaries conditional upon the completion of continuing service with the Group for a specified period. The total amount of the grant over the vesting period is determined by reference to the fair value of the equity instruments granted and is recognised in each period as an increase in the investment in the subsidiaries with a corresponding credit to retained earnings.

In the separate financial statements of the subsidiaries, the fair value of the employee services received in exchange for the grant of the equity instruments of the Group is recognised as an expense with a corresponding credit to equity.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other taxes. The following specific recognition criteria must also be met before revenue is recognised:

(i) Revenue from sale of goods

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

1) Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.
2) Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3) Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4) Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
5) Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

The Group allocates the transaction price to the performance obligations in a contract based on the input method which requires revenue recognition on the basis of the Group's efforts or inputs to the satisfaction of the performance obligations.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Revenue recognition (continued)

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent and has concluded that it is acting as a principal in all of its revenue arrangements, except for revenue from renewal of service packs and revenue from professional services.

Revenue from renewal of service packs

Revenue from renewal of service packs is recorded as net as there is no inventory risk. Any subsequent purchase or possession of the same service pack by the Group is considered transitory as it is definite that the inventory will ultimately be transferred and there is no meaningful period that the Group holds the inventory before it is transferred to the end user.

(ii) Revenue from professional services

Revenue from professional services is recorded as net as the main responsibility of the Group is to arrange for the services to be performed by the vendor. Revenue is recognised when (or as) the Group satisfies a performance obligation at a point in time.

Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and deferred tax assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in US Dollar since the functional and operating currencies of the key group companies are linked to the US Dollar and the majority of the Group's business is transacted in US Dollars or linked currencies.

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

Apart from the financial statements of group entities in hyperinflationary economy, the assets and liabilities of the Group's foreign operations are expressed in US Dollars using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

The financial statements of group entities which functional currency is the currency of a hyperinflationary economy are adjusted for inflation and then translated into US Dollars using the balance sheet exchange rate. Amounts shown for prior years for comparative purposes are not modified. To determine the existence of hyperinflation, the Group assesses the qualitative and quantitative characteristics of the economic environment of the country, such as the cumulative inflation rate over the previous three years.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss and other comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at amortised cost.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Impairment of financial assets

The Group always recognises lifetime ECL for trade receivables. The expected credit loss on this financial asset is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(a) The financial instrument has a low risk of default,

(b) The borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and

(c) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(ii) Definition of default

The Group employs statistical models to analyse the data collected and generate estimates of probability of default (“PD”) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Group.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;
b) a breach of contract, such as a default or past due event (see (ii) above);
c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Financial instruments (continued)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Leases

The Group as lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

4. Significant accounting policies (continued)

Leases (continued)

The Group as lessee (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

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

The right-of-use of assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the consolidated statement of profit or loss and other comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

5. Critical accounting judgment and key sources of estimation uncertainty in applying the Group's accounting policies

Critical judgment in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 4 to the consolidated financial statements, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

Warranties

The Group's Original Equipment Manufacturer ("OEM") generally warrants the products distributed by the Group and these are assurance warranties provided in the normal course of business relating to product performance. The Group generally does not independently warrant the products it distributes and management does not consider that any provision for warranties or claims is required.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

5. Critical accounting judgment and key sources of estimation uncertainty in applying the Group's accounting policies (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Provision for impairment of trade receivables

The Group measures the estimated credit losses at an amount equal to lifetime ECL. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group also considers the impact of currency devaluation and effect on macro-economic factor in measuring ECL.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Impairment of goodwill and intangible assets

The Group carries out an impairment review whenever events or changes in circumstance indicate that the carrying value of goodwill and intangible assets may not be recoverable. In addition, the Group carries out an annual impairment review as required by IAS 36.

In determining whether goodwill and intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and intangible assets have been allocated. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit (CGU) and a suitable discount rate in order to calculate present value.

There were no impairment losses recorded during the years ended 31 March 2023 and 31 March 2022.

Inventory obsolescence

Inventories are stated at the lower of cost and net realisable value (net of price protection rebates). Adjustments to reduce the cost of inventory to its realisable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Revisions to these adjustments would be required if these factors differ from the estimates.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

5. Critical accounting judgment and key sources of estimation uncertainty in applying the Group's accounting policies (continued)

Key sources of estimation uncertainty (continued)

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"), which is equal to 8.31% in 2023 (2022: 7.57%) due to the absence of implicit rates in the lease contracts.

Management has applied judgments and estimates to determine the IBR at the commencement of lease, using borrowing rates that certain financial institutions would charge the Group against financing the different types of assets it leased over different terms and different ranges of values. Majority of the leases are present in the U.A.E. accordingly no adjustment for the economic environment was deemed required.

Assessment as to whether the right-of-use assets is impaired

In estimating the recoverable amount of the right-of-use assets, the Management has made assumptions about the achievable market rates for similar properties with similar lease terms. The Management believes that any reasonably possible change in the key assumptions on which the recoverable amount of the right-of-use assets is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amounts of the related cash generating unit.

Original Equipment Manufacturer ("OEM") supplier programs

OEM suppliers formulate programs for inventory volume promotion programs and price protection rebates. Inventory volume promotion programs and price protection rebates are recorded as a reduction of cost of sales. The rebates are accrued based on the terms of the program and sales of qualifying products. Some of these programs may extend over one or more quarterly reporting periods. The Group tracks vendor promotional programs for volume discounts on a program-by-program basis. Once the program is implemented, the benefit of the program based on the actual volume is recorded as a receivable from vendors with a corresponding reduction in the cost of sales. Concurrently, the vendor receivable is collected generally through reductions authorised by the vendor to accounts payable. The Group monitors the balances of receivables from vendors on a monthly basis. Actual rebates may vary based on volume or other sales achievement levels, which could result in an increase or reduction in the estimated amounts previously accrued. OEM suppliers may change the terms of some or all these programs or cease them altogether. Any such change could impact the gross margins on products or revenue earned.

Customer incentive

The Group accrues for rebates for its customers based on contracted percentages on the total sales made during the year and based on fulfilment of the related obligations, which require management to ascertain the target met by its customers during the period of agreement.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

6. Property and equipment

	Building US$	Warehouse equipment US$	Furniture and fixtures US$	Motor vehicles US$	Leasehold improvements US$	Office equipment US$	Computers US$	Total US$
Cost								
At 1 April 2021	6,767,484	3,557,424	13,418,668	1,203,080	1,291,202	8,552,599	4,035,855	38,826,312
Recognised from acquisition of a subsidiary [Note 8(b)]	-	-	228,198	-	-	-	-	228,198
Additions/transfers	-	584,793	580,136	76,912	343,778	452,490	483,851	2,521,960
Disposals	-	(58,046)	(414,458)	(69,739)	-	(108,277)	(153,152)	(803,672)
At 31 March 2022	6,767,484	4,084,171	13,812,544	1,210,253	1,634,980	8,896,812	4,366,554	40,772,798
Impact of application of IAS 29 (Note 3.1)	-	-	318,554	-	-	-	-	318,554
Additions/transfers	-	239,254	728,417	177,192	134,140	508,690	609,413	2,397,106
Disposals	-	(174,752)	(3,511,865)	(83,786)	-	(1,095,458)	(813,331)	(5,679,192)
At 31 March 2023	**6,767,484**	**4,148,673**	**11,347,650**	**1,303,659**	**1,769,120**	**8,310,044**	**4,162,636**	**37,809,266**
Accumulated depreciation								
At 1 April 2021	3,556,383	3,019,638	11,204,949	1,087,476	358,043	7,711,547	3,383,039	30,321,075
Recognised from acquisition of a subsidiary [Note 8(b)]	-	-	84,388	-	-	-	-	84,388
Charge for the year (Note 24)	336,116	612,166	680,975	69,308	165,677	304,141	426,017	2,594,400
Eliminated on disposals	-	(65,884)	(203,562)	(139,370)	-	(76,983)	(140,741)	(626,540)
At 31 March 2022	3,892,499	3,565,920	11,766,750	1,017,414	523,720	7,938,705	3,668,315	32,373,323
Impact of application of IAS 29 (Note 3.1)	-	-	118,913	-	-	-	-	118,913
Charge for the year (Note 24)	336,991	415,215	1,006,063	95,014	208,391	261,772	431,855	2,755,301
Eliminated on disposals	-	(196,052)	(3,458,554)	(75,057)	-	(599,727)	(734,195)	(5,063,585)
At 31 March 2023	**4,229,490**	**3,785,083**	**9,433,172**	**1,037,371**	**732,111**	**7,600,750**	**3,365,975**	**30,183,952**
Carrying amount								
At 31 March 2023	**2,537,994**	**363,590**	**1,914,478**	**266,288**	**1,037,009**	**709,294**	**796,661**	**7,625,314**
At 31 March 2022	2,874,985	518,251	2,045,794	192,839	1,111,260	958,107	698,239	8,399,475

The building consists of a distribution centre in Jebel Ali Free Zone which is constructed on land leased for a period of 20 years expiring in 2027.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

7. Other intangible assets

a)	Trade name US$	Customer relationship US$	Software US$	Work-in-progress US$	Total US$
Cost					
At 1 April 2021	33,851,100	5,903,282	18,484,283	88,962	58,327,627
Recognised from acquisition of a subsidiary [Note 8(b)]	-	6,762,000	280,886	-	7,042,886
Additions during the year	-	-	879,834	-	879,834
Transfers from work-in-progress	-	-	15,091	(15,091)	-
Write-off	-	-	(2,508,920)	-	(2,508,920)
Exchange rate effect	-	(770,258)	-	-	(770,258)
At 31 March 2022	33,851,100	11,895,024	17,151,174	73,871	62,971,169
Impact of application of IAS 29 (Note 3.1)	-	4,629,276	-	-	4,629,276
Additions during the year	-	-	351,194	195,019	546,213
Write-off	-	-	(2,351,692)	-	(2,351,692)
At 31 March 2023	**33,851,100**	**16,524,300**	**15,150,676**	**268,890**	**65,794,966**
Accumulated amortisation and impairment loss					
At 1 April 2021	8,215,428	5,448,135	14,361,779	-	28,025,342
Recognised from acquisition of a subsidiary [Note 8(b)]	-	-	236,133	-	236,133
Amortisation during the year (Note 24)	-	905,948	2,052,815	-	2,958,763
Write-off	-	-	(2,496,671)	-	(2,496,671)
At 31 March 2022	8,215,428	6,354,083	14,154,056	-	28,723,567
Impact of application of IAS 29 (Note 3.1)	-	1,704,224	-	-	1,704,224
Amortisation during the year (Note 24)	-	1,184,766	1,937,475	-	3,122,241
Write-off	-	-	(2,351,692)	-	(2,351,692)
At 31 March 2023	**8,215,428**	**9,243,073**	**13,739,839**	**-**	**31,198,340**
Carrying amounts					
At 31 March 2023	**25,635,672**	**7,281,227**	**1,410,837**	**268,890**	**34,596,626**
At 31 March 2022	25,635,672	5,540,941	2,997,118	73,871	34,247,602

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

7. Other intangible assets (continued)

Work-in-progress represents costs incurred as at the reporting date on the development of the Group's various business software.

Trade name and customer relationship resulted from the investments in subsidiaries in Turkey.

	2023	2022
	US$	US$
With finite useful life	**8,960,954**	8,611,930
With indefinite useful life	**25,635,672**	25,635,672
	34,596,626	34,247,602

8. Goodwill

	2023	2022
a)	**US$**	US$
Balance at the beginning of the year	**6,063,353**	349,559
Recognised through acquisition of a subsidiary [Note 8(b)]	**-**	6,448,321
Exchange rate effect	**(1,343,007)**	(734,527)
Impact of application of IAS 29 (Note 3.1)	**3,708,122**	-
Balance at 31 March	**8,428,468**	6,063,353

Goodwill has been allocated for impairment testing purposes to the following cash-generating units:

	2023	2022
	US$	US$
Redington Turkey Teknoloji A.Ş. (Redington Turkey)	**349,559**	349,559
Arena Connect Teknoloji Sanayi ve Ticaret A.S. (formerly Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti) (Arena Connect)	**8,078,909**	5,713,794

The recoverable amount of the above cash-generating unit is determined based on a value-in-use calculation which uses cash flow projections based on financial budgets prepared by management covering a five-year period, after which an estimated long term growth rate of 2.00% (2022: 8.0%) is applied, and a weighted average cost of capital of 35.00% (2022: 25.30%) per annum.

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of cash generating units (CGUs) to which goodwill is allocated. The Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

8. Goodwill (continued)

b) On 1 December 2021, Arena Bilgisayar Sanayi ve Ticaret A.S. acquired 100% of Arena Connect Teknoloji Sanayi ve Ticaret A.S. (formerly Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti). The fair value of the net assets acquired was as follows:

	US$
Assets	
Cash and cash equivalents	**1,236,816**
Trade and other receivables	**44,951,181**
Inventories	**14,062,903**
Property and equipment	**143,810**
Other intangible assets	**44,753**
Right-of-use assets	**201,055**
Deferred tax asset	**359,239**
Total assets	**60,999,757**
Liabilities	
Bank borrowings	**504,885**
Trade and other payables	**47,207,688**
Lease liabilities	**198,179**
Employees' end-of-service indemnity	**164,081**
Total liabilities	**48,074,833**
Net assets	**12,924,924**
Intangible assets arising from acquisition:	
Customer relationship	**6,762,000**
Total net identifiable assets acquired	**19,686,924**
Purchase consideration	**26,135,245**
Goodwill	**6,448,321**

The fair value of identifiable intangible assets arising from the acquisition of Arena Connect was determined by an independent valuer.

	US$
Purchase consideration	**26,135,245**
Less: Cash and cash equivalents acquired	**1,236,816**
Net cash outflow on acquisition of a subsidiary	**24,898,429**

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

9. Taxation

The Group is subject to corporate income tax in Kuwait, Qatar, Senegal, Egypt, Kingdom of Saudi Arabia, Oman, Morocco, Tanzania, South Africa, Ghana, Uganda, Nigeria, Kenya, India, Kazakhstan, Angola, Rwanda, Cyprus, Turkey and Luxembourg where the subsidiaries operate. The applicable income tax rates of the Group range from 10% to 43%.

On 3 October 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") issued Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to implement a new CT regime in the UAE. The new CT regime is applicable for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding USD 102,110 or to certain types of entities, as prescribed by way of a Cabinet Decision.

The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities.

a) The movement of income tax payable is as follows:

	2023	2022
	US$	US$
Balance at the beginning of the year	**9,887,688**	8,739,480
Charge for the year	**19,414,071**	13,109,376
Tax paid during the year	**(16,587,991)**	(11,961,168)
Balance at the end of the year	**12,713,768**	9,887,688

b) The movement in deferred tax asset and liability are as follows:

	2023	2022
	US$	US$
Deferred tax asset		
Balance at the beginning of the year	**791,399**	730,127
Deferred tax benefit/(expense) for the year	**1,546,853**	(297,967)
Recognised through acquisition of a subsidiary [Note 8(b)]	**-**	359,239
Impact of application of IAS 29	**(507,479)**	-
Exchange rate effect	**(468,789)**	-
Balance at the end of the year	**1,361,984**	791,399
Deferred tax liability		
Balance at the beginning of the year	**(1,117,459)**	(376,176)
Deferred tax (expense)/benefit for the year	**-**	(472,329)
Impact of application of IAS 29	**(256,806)**	-
Exchange rate effect	**702,145**	(268,954)
Balance at the end of the year	**(672,120)**	(1,117,459)

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

9. Taxation (continued)

c) Tax expense for the year is as follows:

	2023 US$	2022 US$
Current taxation	**19,414,071**	13,109,376
Deferred taxation	**(1,546,853)**	770,296
	17,867,218	13,879,672

10. Investment property

	2023 US$	2022 US$
Investment property	**1,384,101**	-

The fair value of the investment property was determined based on the current market value of similar properties within the area. The valuation was carried out by an independent external valuation expert. The investment property is located in Turkey and is categorized under Level 2 in the fair value hierarchy.

The net gain from fair value adjustment on the investment property amounting to USD 458,921 is included in Other Expenses (Note 23).

A change of 10% in management's estimate at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below:

					Sensitivity of management estimates	
Country	**Segment**	**Valuation**	**Estimate**	**Range of inputs**	**Impact lower US$**	**Impact higher US$**
Turkey	Land and Building	Unit price comparable method	Estimated market value	US$ 391 to US$ 1,565 per sqm	(118,260)	118,260

11. Inventories

	2023 US$	2022 US$
Goods held for sale	**520,923,296**	321,819,142
Less: Allowance for slow-moving items	**(17,443,457)**	(8,640,632)
	503,479,839	313,178,510
Goods in transit	**27,472,473**	10,151,669
	530,952,312	323,330,179

The cumulative effect of restating inventories in accordance with IAS 29 for the year ended 31 March 2023 amounted to USD 651,036.

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

11. Inventories (continued)

Movement in allowance for slow-moving items:

	2023 **US$**	2022 US$
Opening balance	**8,640,632**	4,574,262
Allowance for slow-moving inventories (Note 23)	**8,802,825**	4,066,370
Closing balance	**17,443,457**	8,640,632

12. Trade and other receivables

	2023 **US$**	2022 US$
Trade receivables	**742,062,715**	570,697,505
Less: Expected credit losses	**(20,344,336)**	(17,513,178)
	721,718,379	553,184,327
Receivables from suppliers	**22,871,619**	15,091,217
Advances to suppliers	**5,970,179**	6,795,858
Prepayments	**22,930,390**	7,763,026
Deposits	**1,622,665**	1,753,404
Withholding tax receivable	**1,651,327**	1,829,834
Staff advances	**372,809**	200,318
Other receivables	**25,312,293**	11,711,180
	802,449,661	598,329,164

Management considers that the carrying amount of trade and other receivables approximates their fair value.

The average credit period on sales of goods and services is 54 days (2022: 49 days).

There are no customers who represent more than 10% of the total balance of trade receivables.

The following table details the risk profile of trade receivables based on the Group’s provision matrix. As the Group’s historical credit loss experience does not show significantly different loss patterns for different customer segments, the expected credit losses based on past due status is not further distinguished between the Group’s different customer base:

	Gross carrying amount at default US$	**Impaired receivables US$**	**Not impaired receivables US$**
31 March 2023			
Current	**609,357,232**	**(270,504)**	**609,086,728**
Past due by:			
1 - 30 days	**63,067,402**	**(346,987)**	**62,720,415**
31 - 60 days	**21,239,561**	**(32,572)**	**21,206,989**
61 - 90 days	**12,472,005**	**(9,837)**	**12,462,168**
Over 90 days	**35,926,515**	**(19,684,436)**	**16,242,079**
	742,062,715	**(20,344,336)**	**721,718,379**

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

12. Trade and other receivables (continued)

	Gross carrying amount at default US$	Impaired receivables US$	Not impaired receivables US$
31 March 2022			
Current	466,481,891	(383,166)	466,098,725
Past due by:			
1 - 30 days	54,209,126	(776,625)	53,432,501
31 - 60 days	17,373,071	(223,821)	17,149,250
61 - 90 days	5,621,134	(294,843)	5,326,291
Over 90 days	27,012,283	(15,834,723)	11,177,560
	570,697,505	(17,513,178)	553,184,327

Movement in the expected credit losses:

	2023 US$	2022 US$
Balance at the beginning of the year	**17,513,178**	15,722,790
Expected credit losses (Note 23)	**6,210,670**	3,593,912
Amount written-off as uncollectible	**(3,379,512)**	(1,803,524)
Balance at end of the year	**20,344,336**	17,513,178

13. Other financial assets

	2023 US$	2022 US$
Margin deposits	**940,128**	1,278,002
Short-term deposits	**8,221,893**	44,086,498
Short-term investments	**4,180,144**	-
	13,342,165	45,364,500

Margin deposits are held by banks against labour guarantee issued.

Short-term deposits have maturity period of more than 3 months and carry an average interest rate of 13.92% per annum (2022: 0.65% per annum).

Short-term investments have maturity period of more than 3 months and carry an average interest rate of 17.00% per annum (2022: Nil).

14. Cash and cash equivalents

	2023 US$	2022 US$
Cash on hand	**134,736**	172,646
Bank balances:		
- Current accounts	**111,779,468**	157,246,834
- Short-term deposits	**42,002,995**	111,347,834
	153,917,199	268,767,314

Short-term deposits have maturity period of 3 months or less and carry an average interest rate of 12.00% per annum (2022: 0.82% per annum).

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

15. Share capital

Share capital comprises 27,668,025 authorised and fully paid shares of US$ 1 each.

16. Capital reserve

Capital reserve represents the excess of book value of net assets over the purchase consideration paid for entities acquired which were under common control.

17. Retained earnings

Retained earnings include US$ 2,935,819 (2022: US$ 357,233) representing statutory reserves and legal reserves required by the local laws of the countries where subsidiaries are established, created by allocating a certain mandated percentage of the profits for the year to these statutory reserves. These reserves are not distributable except as allowed by the relevant country's law.

18. Employees' end-of-service indemnity

The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Group. The Group's obligation towards gratuity is a defined benefit plan and the details of actuarial valuation as at year-end are as follows:

Movement in the present value of defined benefit obligation:

	2023 US$	2022 US$
Balance at beginning of the year	**15,339,328**	12,699,215
Service cost	**2,778,324**	3,138,007
Net interest cost	**490,081**	212,062
Actuarial (gain)/loss on obligation	**(1,316,368)**	1,029,791
Recognised from acquisition of a subsidiary [Note 8(b)]	**-**	164,081
Impact of application of IAS 29	**916**	-
Benefits paid	**(1,505,777)**	(1,903,828)
Balance at end of the year	**15,786,504**	15,339,328

Expense recognized in "Employee benefits" included in the statement of profit or loss and other comprehensive income:

	2023 US$	2022 US$
Service cost	**2,778,324**	3,138,007
Net interest cost	**490,081**	212,062
	3,268,405	3,350,069

Principal assumptions used for purposes of the actuarial valuation:

	2023	2022
Discount rate	**4.00% to 15.00%**	3.30%
Salary escalation rate	**5.00%**	7.00%
Mortality rate	**Per AM (80) table**	Per AM (80) table
Withdrawal rate	**12.00% to 21.00%**	17.00%

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

18. Employees' end-of-service indemnity (continued)

The sensitivity analysis has been determined based on the exposure to discount rates, salary escalation rate, mortality rate and withdrawal rate. The sensitivity rate applied by the Group to ascertain the impact in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation is as follows:

	Increase/(decrease)	
	2023	2022
	US$	US$
Increase of 1% in assumptions		
Discount rate	**(1,037,125)**	(642,422)
Salary escalation rate	**1,251,569**	765,791
Decrease of 1% in assumptions		
Discount rate	**1,189,143**	733,744
Salary escalation rate	**(1,110,413)**	(682,701)

19. Bank borrowings

	2023	2022
	US$	US$
Trust receipts	**89,240,882**	-
Bank loans	**85,484,744**	80,020,902
Overdraft	**6,051,780**	2,395,977
	180,777,406	82,416,879
Current	**174,636,275**	70,524,210
Non-current	**6,141,131**	11,892,669
	180,777,406	82,416,879

a) Bank loans are at floating rates of interest. For the year ended 31 March 2023, the average interest rate is at 10.34% per annum (2022: 9.04% per annum). Non-current portion of bank loans are repayable within two years.

b) 100% shares of Arena Connect Teknoloji Sanayi ve Ticaret A.S. (formerly Brightstar Telekomünikasyon ve Dağıtım Ltd.Şti) are pledged to bank loans amounting to US$ 10 million (2022: US$ 26 million).

c) Movement in bank borrowings is as follows:

	Trust receipts US$	**Bank loans US$**	**Overdraft US$**	**Total US$**
Balance as at 1 April 2021	-	53,712,427	-	53,712,427
New loans availed	74,474,988	813,827,827	25,323,852	913,626,667
Recognised from acquisition of a subsidiary [Note 8(b)]	-	504,885	-	504,885
Repayments made	(74,474,988)	(788,024,237)	(22,927,875)	(885,427,100)
Balance as at 31 March 2022	-	80,020,902	2,395,977	82,416,879
New loans availed	460,949,334	328,904,267	564,180,256	1,354,033,857
Repayments made	(371,708,452)	(323,440,425)	(560,524,453)	(1,255,673,330)
Balance as at 31 March 2023	**89,240,882**	**85,484,744**	**6,051,780**	**180,777,406**

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

20. Trade and other payables

	2023 US$	2022 US$
Trade payables	**724,579,004**	619,756,400
Accrued expenses and other payables	**74,648,641**	67,001,151
Advances from customers	**39,952,793**	25,879,305
	839,180,438	712,636,856

21. Related party balances and transactions

The Group enters into transactions with the companies and entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel. Management decides on the terms and conditions of the transactions and of services received/rendered from/to related parties as well as on other charges.

As at the reporting date, related party balances are as follows:

	2023 US$	2022 US$
Due from related parties		
Entities under common control/ownership	**10,038,049**	12,898,801
Due to related parties		
Parent Company	**1,505,261**	39,508
Entity under common control/ownership	**494,929**	19,266
	2,000,190	58,774

Balances with related parties are current, interest-free, unsecured and has no fixed repayment terms.

The Group has determined that the amounts due from related parties do not carry a credit risk and hence no expected or specific loss allowance is required on these balances. In the process of making this determination, the Group has considered the terms underlying these balances, historical default rate, the ability of the related parties to settle these balances when due and the right of set off on a Group basis. The balances due from related parties are repayable on demand and there is no historical default rate. The settlement of the related party balances are managed by the ultimate controlling party through their centralized treasury process.

The following is a summary of transactions with related parties, which are included in the consolidated financial statements:

	2023 US$	2022 US$
Parent Company		
Dividend paid	**(52,000,000)**	(51,000,000)
Reimbursement of expenses	**(1,380,155)**	(222,383)

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

21. Related party balances and transactions (continued)

	2023 US$	2022 US$
Entities under common ownership/control		
Sales	**40,459,182**	30,919,715
Service fee paid	**(1,126,362)**	(50,000)
Service income	**175,192**	311,171
Operational support fee received	**3,385,784**	2,550,566
Interest and corporate guarantee charges [Note 21(a)]	**810,023**	639,146
Purchases	**(1,908,140)**	(528,024)
Supplier rebates transferred	**2,883,320**	-
Sale of shares [Note 1(i)]	**11,322**	-
Entity with significant influence		
Audit fee reimbursement	**181,042**	299,608

(a) These are in lieu of the corporate guarantee provided by Redington Gulf FZE to the banks amounting to US$ 42.4 million (2022: US$ 30.40 million) in respect of banking facilities granted to Redington Qatar Distribution WLL.

Compensation of key management personnel

The remuneration of members of key management during the year was as follows:

	2023 US$	2022 US$
Salaries and benefits	**2,388,852**	2,111,957
Long-term benefits	**52,227**	50,082
Management services company fee	**2,500**	2,500
	2,443,579	2,164,539

22. Right-of-use assets and lease liabilities

Group as a lessee

The Group leases several assets including land, buildings and motor vehicles. The average lease term is 4 years.

Right-of-use assets

	2023 US$	2022 US$
1 April	**14,953,740**	16,503,067
Depreciation expense (Note 24)	**(5,387,981)**	(5,162,424)
Additions for the year	**4,726,383**	4,013,144
Recognised from acquisition of a subsidiary [Note 8(b)]	-	201,055
Deletions for the year	**(424,216)**	(558,428)
Currency translation differences	**219,121**	(42,674)
31 March	**14,087,047**	14,953,740

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

22. Right-of-use assets and lease liabilities (continued)

Lease liabilities

	2023	2022
	US$	US$
1 April	**13,249,326**	15,422,330
Additions for the year	**4,109,697**	5,041,134
Interest expense	**639,848**	887,316
Recognised from acquisition of a subsidiary [Note 8(b)]	**-**	198,179
Payments	**(5,640,355)**	(5,881,504)
Deletions for the year	**(637,875)**	(692,597)
Currency translation differences	**689,700**	(1,725,532)
31 March	**12,410,341**	13,249,326

	2023	2022
	US$	US$
Current	**4,885,794**	3,984,847
Non- current	**7,524,547**	9,264,479
	12,410,341	13,249,326

The management tested for indicators of impairment relating to right-of-use assets as at the reporting date in accordance with IAS 36 and have concluded that there is no impairment.

23. Other expenses

	2023	2022
	US$	US$
Sales promotion	**13,740,315**	18,302,908
Software expenses	**8,829,512**	8,046,746
Bank charges	**25,750,179**	5,522,959
Insurance	**5,173,682**	4,741,836
Freight outwards	**6,695,864**	4,690,128
Allowance for slow-moving inventories (Note 11)	**8,802,825**	4,066,370
Consultancy expenses	**3,198,053**	3,036,201
Traveling	**4,844,220**	1,903,054
Expected credit losses (Note 12)	**6,210,670**	3,593,912
Legal and professional charges	**1,379,133**	1,741,969
Repairs and maintenance	**2,080,482**	1,666,273
Communication expenses	**1,308,300**	1,354,232
Advertisement	**694,427**	324,844
Others	**15,516,923**	7,722,230
	104,224,585	66,713,662

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

24. Depreciation and amortisation expenses

	2023	2022
	US$	US$
Depreciation of right-of-use assets (Note 22)	**5,387,981**	5,162,424
Amortisation of intangible assets (Note 7)	**3,122,241**	2,958,763
Depreciation of property and equipment (Note 6)	**2,755,301**	2,594,400
	11,265,523	10,715,587

25. Non-underlying item net monetary gain arising from hyperinflationary economy

	2023	2022
	US$	US$
Non-underlying item net monetary gain arising from hyperinflationary economy	**4,674,311**	-

The cumulative effect of restating non-monetary items and profit or loss items in accordance with IAS 29 for the year ended 31 March 2023 amounted to USD 3.8 million and USD 0.8 million, respectively.

26. Equity-settled share-based payments

a) Options issued to employees under the Employee Stock Option Plan

Share Purchase options granted by the Parent Company to employees under the Employee Stock Option Plan are measured at the fair value of the equity instruments at the grant date on 29 February 2008. As at the reporting date, all options are vested.

b) Shares issued to employees under the Stock Appreciation Rights (SAR) Scheme 2017

On 30 December 2017 ("Grant Date"), the Parent Company, granted 2,425,000 options to the employees of the Group over a vesting period of 3 years under the SAR Scheme 2017. Under the terms of this plan, the Ultimate Parent Company entitles the employees to receive its equity shares equivalent to the increase in the value of one equity share from the Grant Date.

The SAR vests over the period of 3 years in the following manner: 10% at the end of year 1; 20% at the end of year 2 and 70% at the end of year 3 from the Grant Date.

The fair value of the shares granted is recorded as "Employee benefits" in the consolidated statement of profit or loss and under the "Equity-settled employee benefits reserve" in the consolidated statement of changes in equity.

The fair value of each share granted is estimated on the Grant Date using the Black-Scholes option pricing model with the following weighted average assumptions over the vesting period from the Grant Date:

	Vesting Period		
	30 December 2018	30 December 2019	30 December 2020
Market price (in INR)	174.6	174.6	174.6
Expected life (in years)	2.5	3.5	4.5
Volatility (%)	30.88	33.94	36.92
Risk-free rate (%)	6.73	6.93	7.09
Exercise price (in INR)	148.5	148.5	148.5
Dividend yield (%)	1.2	1.2	1.2
Fair value per vest (in INR)	55.47	66.17	76.01

The fair value per share is INR 71.99.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

26. Equity-settled share-based payments (continued)

The shares activity is summarised below:

	2023	2022
Balance at the beginning of the year	**121,500**	2,035,750
Less: SAR lapsed	**(121,500)**	(65,000)
Less: SAR exercised	**-**	(1,849,250)
Balance at end of the year	-	121,500

27. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4 to the consolidated financial statements.

(b) Categories of financial instruments

	2023 US$	2022 US$
Financial assets		
Financial assets at amortised cost	**902,154,260**	883,593,010
Derivative financial assets at fair value	**589,688**	2,043,541
	902,743,948	885,636,551
Financial liabilities		
Financial liabilities at amortised cost	**794,417,423**	686,783,754
	794,417,423	686,783,754

(c) Fair value

The Group has valued its derivative financial instruments based on the valuation techniques. All other financial assets and financial liabilities at the end of the reporting period approximate their fair values.

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

27. Financial instruments (continued)

Fair value hierarchy (continued)

	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
2023				
Financial assets measured at fair value				
Foreign currency forward contracts	-	**589,688**	-	**589,688**
2022				
Financial assets measured at fair value				
Foreign currency forward contracts	-	2,043,541	-	2,043,541

28. Financial risk management

The financial risk management policies are discussed by Management of the Group on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise potential adverse effects of financial performance of the Group. Management provides necessary guidance/instructions to the employees covering specific areas, such as market risk (foreign exchange and interest rate risk) credit risk and liquidity risk.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Group's foreign currency other than Arab Emirates Dirhams and Saudi Riyal, being pegged to United States Dollar, denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		**Liabilities**	
	2023 US$	2022 US$	**2023 US$**	2022 US$
Turkish Lira	195,443,276	144,865,172	128,774,533	133,975,408
Kuwaiti Dinar	10,146,504	13,478,119	300,360	147,257
Egyptian Pound	16,895,481	47,945,575	4,270,754	3,030,689
Moroccan Dirham	5,971	517,015	47,298	329,534
Nigerian Naira	2,055,486	610,300	198,034	12,830
West African CFA Franc	3,871,190	6,393,323	65,466	49,882
Kenyan Shilling	2,130,309	5,461,716	1,744,594	1,311,562
Uganda Shilling	982,667	857,809	23,312	10,348
Tanzanian Shillings	1,292,917	576,226	39,575	25,657
Euro	3,251,489	4,162,138	8,103,325	2,201,145
Indian Rupees	438,296	833,820	13,704	516,425
Ghanaian Cedi	82,151	162,481	10,480	39,738
South African Rand	69,088	615,510	2,447	139,281
Rwandan Franc	1,175,050	658,997	4,728	4,838
Bahraini Dinar	3,440,171	-	-	-

Notes to the consolidated financial statements
for the year ended 31 March 2023 (continued)

28. Financial risk management (continued)

(b) Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase and decrease in the US$ against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates, except for Turkish Lira in which 40% sensitivity rate is applied. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the US$ strengthens 10% against the relevant currency. For a 10% weakening of the US$ against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	2023	2022
	US$	US$
Profit/(loss)		
Turkish Lira	**(26,667,497)**	(4,355,906)
Kuwaiti Dinar	**(984,614)**	(1,333,086)
Egyptian Pound	**(1,262,473)**	(4,491,489)
Moroccan Dirham	**4,133**	(18,748)
Nigerian Naira	**(185,745)**	(59,747)
West African CFA Franc	**(380,572)**	(634,344)
Kenyan Shilling	**(38,571)**	(415,015)
Uganda Shilling	**(95,936)**	(84,746)
Tanzanian Shillings	**(125,334)**	(55,057)
Euro	**485,184**	(196,099)
Indian Rupees	**(42,459)**	(31,740)
Ghanaian Cedi	**(7,167)**	(12,274)
South African Rand	**(6,664)**	(47,623)
Rwandan Franc	**(117,032)**	(65,416)
Bahraini Dinar	**(344,017)**	-

(c) Interest rate risk management

The Group is exposed to interest rate risk as the Group borrows funds at floating interest rates. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the reporting date. The analysis is prepared assuming the amount of assets/liabilities outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 March 2023 would decrease/increase by US$ 903,887 (2022: US$ 412,084). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

28. Financial risk management (continued)

(d) Credit risk management

Credit risk arises from credit exposure to outstanding trade receivables. Management of the Group has implemented centralised procedures for credit control. Credit risk is minimised through credit insurance and a conservative credit policy. Individual counter-party limits are set in accordance with the credit policy. The Group's exposure to credit risk is continuously monitored and the aggregate value of transactions concluded is spread amongst counter-parties. Credit exposure is controlled by counter-party limits that are reviewed and approved by the management regularly. Due to the risk on transactions in the countries in which the Group operates, management will, based on past experience and level of risk associated with these transactions, make a provision for losses on such transactions should they consider it necessary.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Group does not have any significant credit risk exposure to any single counterparty or any company of the counterparty having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 10% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Further details of credit risk on trade receivables are discussed in Note 12 to the consolidated financial statements.

The Group, on occasion, makes advanced payments to suppliers in order to avail settlement discounts, which would be earlier than the date of receipt of goods and prior to recording the purchase and liability. On occasion, the Group would also settle supplier liabilities earlier than the agreed credit period in order to avail settlement discounts.

The Group's current credit risk grading framework comprises the following categories:

Category	***Description***	***Basis for recognising expected credit losses***
Performing	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL - not credit-impaired
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
In default	Amount is >180 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

28. Financial risk management (continued)

(e) Liquidity risk management (continued)

All of the Group's financial assets and financial liabilities are due to be settled within one year from the reporting date, except for lease liabilities as follows:

	Average interest rate %	Less than 1 year US$	More than 1 year but less than 5 years US$	More than 5 years US$	Total US$
2023					
Financial liabilities					
Interest-bearing instruments	**10.34%**	**174,636,275**	**6,141,131**	**-**	**180,777,406**
Non-interest bearing instruments	**-**	**613,640,017**	**-**	**-**	**613,640,017**
		788,276,292	**6,141,131**	**-**	**794,417,423**
2022					
Financial liabilities					
Interest-bearing instruments	9.04%	70,524,210	11,892,669	-	82,416,879
Non-interest bearing instruments	-	604,366,875	-	-	604,366,875
		674,891,085	11,892,669	-	686,783,754

29. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholder through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from the previous year.

The capital structure of the Group consists of debt, which includes the bank borrowings disclosed in Note 19, cash and cash equivalents, and other financial assets as disclosed in Notes 14 and 13, respectively and total equity of the Group comprising issued capital, reserves, retained earnings and non-controlling interests as disclosed in the consolidated statement of changes in equity.

Gearing ratio

The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Group targets an optimum gearing ratio of 85% determined as the proportion of gross debt to equity.

The gearing ratio at the year-end was as follows:

	2023 US$	2022 US$
Debt	**180,777,406**	82,416,879
Cash and cash equivalents and other financial assets	**(167,849,052)**	(316,175,355)
Net debt	**12,928,354**	(233,758,476)
Equity	**515,231,847**	481,407,938
Net debt to equity ratio	**0.03:1**	N/A

Notes to the consolidated financial statements for the year ended 31 March 2023 (continued)

30. Contingencies

	2023	2022
	US$	US$
Letters of guarantee	**1,170,030**	965,282

During the year ended 31 March 2021, one of the subsidiaries of the Company has been served an assessment order for US$ 21,780,421 (SAR 21,780,421) by the tax authorities in the Kingdom of Saudi Arabia. This assessment is towards withholding tax related to payments for imported software licenses for trading purposes which has been accepted by the tax authorities in the prior years as imports of goods not subject to withholding tax and is consistent with the Company’s management and tax advisors reading of the tax laws of the Kingdom of Saudi Arabia. The subsidiary has appealed against the order and the management is confident of a favourable outcome of the appeal process and this has not been concluded on as of the audit report date and therefore remains contingent based on the outcome of the appeal.

31. Dividends

(a) During the year ended 31 March 2023, the Company declared dividends to its shareholder amounting to US$ 52,000,000 at US$ 1.88 per share (2022: US$ 51,000,000 at US$ 1.84 per share).

(b) During the year ended 31 March 2023, Arena Bilgisayar Sanayi ve Ticaret A.S. declared dividends to its shareholders amounting to US$ 1,565,484 at US$ 0.05 per share, amount pertaining to non-controlling interest shareholders amounting to US$ 792,135 at USD$ 0.02 per share (2022: nil).

32. Approval of consolidated financial statements

The consolidated financial statements for the year ended 31 March 2023 were approved and signed by the Directors on 15 May 2023.

REDINGTON DISTRIBUTION PTE LTD
AND ITS SUBSIDIARIES
(Registration No. 200503995E)

DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

CONTENTS

DIRECTORS' STATEMENT

The Directors present their statement together with the audited consolidated financial statements of the Group and statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Company for the financial year ended March 31, 2023.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Company as set out on pages 6 to 47 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at March 31, 2023, and the financial performance, changes in equity and cash flows of the Group and financial performance and changes in equity of the Company for the financial year ended March 31, 2023 and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The Directors of the Company in office at the date of this statement are:

Vishnampet Sethuraman Hariharan @ Kumar
Professor J. Ramachandran
Pankaj Lamba (Appointed on May 23, 2022)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act 1967.

4 SHARE OPTIONS

(a) Option to take up unissued shares

During the financial year, no options to take up unissued shares of the Company was granted.

(b) Option exercised

During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company under option.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

V S Hariharan

....
Vishnampet Sethuraman Hariharan @ Kumar

....
Pankaj Lamba

May 11, 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

REDINGTON DISTRIBUTION PTE LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Redington Distribution Pte Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at March 31, 2023, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flow of the Group, and the statement of profit or loss and other comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 47.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of profit or loss and comprehensive income, statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at March 31, 2023 and of the consolidated financial performance, consolidated changes in equity, and consolidated cash flows of the Group and financial performance and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group for the year ended March 31, 2022 were audited by another firm of auditors who expressed an unmodified opinion on those consolidated financial statements in their report dated May 19, 2022.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

REDINGTON DISTRIBUTION PTE LTD

Information other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises Directors' statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

REDINGTON DISTRIBUTION PTE LTD

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

May 11, 2023

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2023

	Note	Group 2023	Group 2022	Company 2023	Company 2022
		US$	US$	US$	US$
Revenue					
Sales of goods	6	487,728,177	503,462,014	144,383,713	245,401,066
Other income					
Fee income		-	50,000	-	50,000
Finance income		182,590	228,886	57,288	58,527
Other income		31,083	2,002,399	-	19,250
		487,941,850	505,743,299	144,441,001	245,528,843
Less: Costs and expenses					
Cost of goods sold		458,651,628	475,618,347	134,930,012	234,280,996
Reversal of loss allowance on trade receivables	14	(267,608)	(191,399)	(151,963)	(425,073)
Depreciation of plant and equipment	9	105,473	68,392	5,944	3,165
Amortisation of intangible asset	10	304	3,077	-	-
Depreciation of right-of-use assets	11	545,712	502,506	226,005	172,339
Directors' remuneration	5	278,432	1,699,187	278,432	1,699,187
Staff costs					
- Salaries and bonuses		5,544,524	4,636,557	1,477,275	638,935
- CPF contributions		33,425	46,397	33,425	46,397
Finance costs		929,354	843,036	118,823	133,840
Impairment loss on investment in a subsidiary	12	-	-	10,942	72,723
Other operating expenses		7,673,191	5,682,023	1,504,512	1,414,832
Net exchange differences		(546,712)	1,996,856	(121,099)	(11,869)
		472,947,723	490,904,979	138,312,308	238,025,472
Profit before tax	7	14,994,127	14,838,320	6,128,693	7,503,371
Income tax expense	8	(5,420,372)	(3,841,409)	(4,503,778)	(3,063,614)
Profit for the year		9,573,755	10,996,911	1,624,915	4,439,757
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		8,468	(444,360)	-	-
Total comprehensive income for the year attributable to owner of the Company		9,582,223	10,552,551	1,624,915	4,439,757

See accompanying notes to financial statements.

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITIONS
As at March 31, 2023

	Note	Group 2023	Group 2022	Company 2023	Company 2022
		US$	US$	US$	US$
Non-current assets					
Plant and equipment	9	282,288	235,340	13,373	15,503
Intangible assets	10	396	766	-	-
Right-of-use assets	11	1,385,351	1,668,667	400,162	560,431
Investment in subsidiaries	12	-	-	919,895	930,837
Deferred tax assets	21	146,556	138,356	-	-
		1,814,591	2,043,129	1,333,430	1,506,771
Current assets					
Inventories	13	24,387,915	10,710,369	3,549,086	4,580,315
Trade and other receivables	14	60,218,922	79,383,515	29,535,442	53,389,152
Cash and cash equivalents	15	41,767,015	47,568,851	34,820,755	36,309,662
		126,373,852	137,662,735	67,905,283	94,279,129
Current liabilities					
Trade and other payables	16	56,568,115	70,604,999	18,140,395	39,168,226
Contract liabilities	6	2,554,901	2,376,167	2,532,437	2,320,300
Lease liabilities	17	554,252	538,253	238,052	207,765
Income tax payable		6,686,864	3,701,049	5,714,125	2,910,611
		66,364,132	77,220,468	26,625,009	44,606,902
Net current assets		60,009,720	60,442,267	41,280,274	49,672,227
Non-current liabilities					
Other payables	16	229,101	171,297	-	-
Lease liabilities	17	886,983	1,188,095	183,185	373,394
		1,116,084	1,359,392	183,185	373,394
Net assets		60,708,227	61,126,004	42,430,519	50,805,604
Equity					
Share capital	18	4,000,000	4,000,000	4,000,000	4,000,000
Retained earnings		57,955,380	58,381,625	37,871,341	46,246,426
Other reserve	19	559,178	559,178	559,178	559,178
Merger reserve	20	(926,402)	(926,402)	-	-
Foreign currency translation reserve		(879,929)	(888,397)	-	-
		60,708,227	61,126,004	42,430,519	50,805,604

See accompanying notes to financial statements.

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY
Year ended March 31, 2023

	Attributable to owner of the Company					
	Share capital (Note 18)	Retained earnings	Foreign currency translation reserve	Other reserve (Note 19)	Merger reserve (Note 20)	Total
	US$	US$	US$	US$	US$	US$
Group						
Balance at April 1, 2022	4,000,000	58,381,625	(888,397)	559,178	(926,402)	61,126,004
<u>Distribution to owner</u>						
Dividends paid (Note 23)	-	(10,000,000)	-	-	-	(10,000,000)
Profit for the year	-	9,573,755	-	-	-	9,573,755
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	8,468	-	-	8,468
Total comprehensive income for the year	-	9,573,755	8,468	-	-	9,582,223
Balance at March 31, 2023	4,000,000	57,955,380	(879,929)	559,178	(926,402)	60,708,227

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended March 31, 2023

	Attributable to owner of the Company					
	Share capital (Note 18)	Retained earnings	Foreign currency translation reserve	Other reserve (Note 19)	Merger reserve (Note 20)	Total
	US$	US$	US$	US$	US$	US$
Group						
Balance at April 1, 2021	4,000,000	57,384,714	(444,037)	559,178	(926,402)	60,573,453
<u>Distribution to owner</u>						
Dividends paid (Note 23)	-	(10,000,000)	-	-	-	(10,000,000)
Profit for the year	-	10,996,911	-	-	-	10,996,911
<u>Other comprehensive income</u>						
Foreign currency translation	-	-	(444,360)	-	-	(444,360)
Total comprehensive income for the year	-	10,996,911	(444,360)	-	-	10,552,551
Balance at March 31, 2022	4,000,000	58,381,625	(888,397)	559,178	(926,402)	61,126,004

STATEMENTS OF CHANGES IN EQUITY (cont'd)
Year ended March 31, 2023

	Attributable to owner of the Company			
	Share capital (Note 18)	Retained earnings	Other reserve (Note 19)	Total
	US$	US$	US$	US$
Company				
Balance at April 1, 2021	4,000,000	51,806,669	559,178	56,365,847
Distribution to owner				
Dividends paid (Note 23)	-	(10,000,000)	-	(10,000,000)
Profit for the year	-	4,439,757	-	4,439,757
Balance at March 31, 2022	4,000,000	56,246,426	559,178	60,805,604
Distribution to owner				
Dividends paid (Note 23)	-	(10,000,000)	-	(10,000,000)
Profit for the year	-	1,624,915	-	1,624,915
Balance at March 31, 2023	4,000,000	37,871,341	559,178	42,430,519

See accompanying notes to financial statements.

REDINGTON DISTRIBUTION PTE LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOW
Year ended March 31, 2023

	Group	
	2023	2022
	US$	US$
Cash flows from operating activities		
Profit before tax	14,994,127	14,838,320
Adjustments for:		
Depreciation of plant and equipment	105,473	68,392
Depreciation of right-of-use assets	545,712	502,506
Amortisation of intangible assets	304	3,077
Reversal of loss allowance on trade receivables	(267,608)	(191,399)
Allowance for (Reversal of allowance on) inventories	1,488,087	(1,584,501)
Loss (gain) on disposal of plant and equipment	215	(309)
Gain on termination of lease	(5,966)	-
Provision for retirement benefit obligations	2,128	(5,960)
Interest expense	929,354	843,036
Interest income	(182,590)	(228,886)
Currency realignment	47,616	(467,509)
Operating cash flow before working capital changes	17,656,852	13,776,767
Inventories	(15,165,633)	11,959,017
Trade and other receivables	19,610,935	(7,358,404)
Trade and other payables	(13,981,207)	(34,465,395)
Cash generated from (used in) operations	8,120,947	(16,088,015)
Income tax paid	(2,472,601)	(2,504,956)
Net cash generated from (used in) operating activities	5,648,346	(18,592,971)
Cash flow from investing activities		
Purchase of plant and equipment	(167,830)	(77,985)
Proceeds from disposal of plant and equipment	4,426	30,579
Interest received	182,590	228,886
Net cash from investing activities	19,186	181,480
Cash flows from financing activities		
Dividends paid on ordinary shares	(10,000,000)	(10,000,000)
Interest expense	(874,680)	(780,014)
Repayment of principal portion of lease liabilities	(537,572)	(486,902)
Repayment of interest on lease liabilities	(57,116)	(79,424)
Net cash used in financing activities	(11,469,368)	(11,346,340)
Net decrease in cash and cash equivalents	(5,801,836)	(29,757,831)
Cash and cash equivalents at beginning of the financial year	47,568,851	77,326,682
Cash and cash equivalents at end of the financial year	41,767,015	47,568,851

See accompanying notes to financial statements.

1. CORPORATE INFORMATION

Redington Distribution Pte Ltd (the "Company") is a limited liability company incorporated and domiciled in Singapore. The Company is a wholly-owned subsidiary of Redington Limited, a company incorporated in India. Related company in these financial statements refer to members of the Redington Limited group of companies.

The registered office and principal place of business of the Company is located at 60 Robinson Road, #12-02 BEA Building, Singapore 068892.

The principal activities of the Company are that of a general merchant and importer and exporter of computers, computer peripherals and components. The principal activities of the subsidiary companies are disclosed in Note 12 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF ACCOUNTING - The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 116, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 inputs are unobservable inputs for the asset or liability.

The financial statements are presented in United States dollars (USD or US$).

2.2 ADOPTION OF NEW AND REVISED STANDARDS - On April 1, 2022, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or period.

FRS that are issued but are not yet effective

At the date of authorisation of these consolidated financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Company were issued but not yet effective:

Effective for annual periods beginning on or after April 1, 2023

- Amendments to FRS 1: Classification of Liabilities as Current or Non-current;
- Amendments to FRS 8: Definition of Accounting Estimates;
- Amendments to FRS 12: Deferred tax related to Assets and Liabilities arising from a single transaction; and
- Amendments to FRS 1-1 and FRS Practice Statement 2: Disclosure of Accounting Policies

Management anticipates that the adoption of the new or revised FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements in the period of their initial adoption.

2.3 BASIS OF CONSOLIDATION - The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring its accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group’s equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests’ proportionate share of the fair value of the acquiree’s identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 9.

In the Company’s separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefits arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered to replace share-based payment arrangements of the acquiree are measured in accordance with SFRS(I) 2 Share-based Payment at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.4 FINANCIAL INSTRUMENTS. Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.4.1 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Interest income is recognised in profit or loss and is included in the “finance income” line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) for trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using the specific identification method based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group’s debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- the financial instrument has a low risk of default,
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

e) the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group 's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date, the exposure includes the amount of drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.4.2 Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade payables and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, except for short-term payables where the recognition of interest is immaterial.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee.

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

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

The lease liability is presented as a separate line in the statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

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

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. The costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position.

The Group applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.9.

2.6 INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.7 PLANT AND EQUIPMENT - Plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer	-	3 years
Furniture and equipment	-	5 years
Leasehold improvements	-	5 years
Motor vehicle	-	5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

2.8 INTANGIBLE ASSETS - Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in Note 10. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

2.9 IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 PROVISIONS - Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Warranties

Provisions for the expected cost of warranty obligations are recognised at the date of sale of the relevant products, at management's best estimate of the expenditure required to settle the Group's obligation.

2.11 REVENUE RECOGNITION - The Group recognises revenue from logistical services provided. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to the end customer.

Sale of computers, computer peripherals and components

The Group supplies computers, computer peripherals and components for external customers.

Revenue is recognised at a point in time when control of the products has transferred, being when the products are delivered to the customers based on the sales incoterms. Delivery occurs when the products have been shipped to the specific location and all criteria for acceptance have been satisfied. The goods are often sold with retrospective sales commissions based on the aggregate sales over a period of time.

The Group recognises the expected sales commissions payable to the dealers when consideration have been received from customers. At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes.

Fee income

Fee income is recognised upon services rendered in accordance to terms of the agreement.

Interest income

Interest income is recognised using the effective interest method.

2.12 RETIREMENT BENEFIT OBLIGATIONS - Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contributionplans and are charged as an expense as they fall due.

2.13 EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.14 SHARE-BASED PAYMENT TRANSACTIONS OF THE COMPANY. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

2.15 INCOME TAX - The income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss.

2.16 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in United States dollar, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in United States dollar using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

2.17 CASH AND CASH EQUIVALENTS - Cash and cash equivalents comprise cash and bank balances and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Estimation of lease term

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group included the extension option in the lease term for leases of office, warehouses and as the management is reasonably certain that the option will be exercised.

(b) Taxation provisions

The Group has exposure to income taxes in Singapore, Qatar and India. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of income tax payable of the Group and the Company as at March 31, 2023 are US$6,686,864 and US$5,714,125 (2022 : US$3,701,049 and US$2,910,611) respectively.

(c) Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of trade and other receivables at the end of the reporting period are disclosed in Note 14 to the financial statements.

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period.

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Financial assets				
Amortised cost	101,590,262	125,315,835	64,123,873	88,192,813
Financial liabilities				
Amortised cost	56,797,216	70,776,296	18,140,395	39,168,226
Lease liabilities	1,441,235	1,726,348	421,237	581,159

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group does not have any financial instruments which are subject to enforceable master netting arrangements or similar netting agreements.

(c) Financial management policies and objectives

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The policies for managing each of these risks are summarised below. The Group does not hold or engages derivative financial instruments.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The major classes of financial assets of the Group are cash and bank balances, bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers with high credit rating. Cash at banks are placed with or entered into with reputable financial institutions.

Credit exposure to an individual counterparty is guided by credit limits that are approved by the management. The counterparty's payment profile and credit exposure are continuously monitored by the management.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expecting credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Branch has no realistic prospect of recovery.	Amount is written-off

The table below details the credit quality of the financial assets as well as maximum exposure to credit risk by credit risk rating grades:

Group	Note	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
				US$	US$	US$
2023						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	57,398,484	(2,140,678)	55,257,806
Other receivables	14	Performing	12-month ECL	4,565,441	-	4,565,441
					(2,140,678)	
2022						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	75,929,943	(2,438,017)	73,491,926
Other receivables	14	Performing	12-month ECL	4,255,058	-	4,255,058
					(2,438,017)	

Company	Note	Internal credit rating	12-month or Lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
2023						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	26,698,019	(1,634,859)	25,063,160
Other receivables	14	Performing	12-month ECL	4,239,958	-	4,239,958
					(1,634,859)	
2022						
Trade receivables	14	(i)	Lifetime ECL (simplified approach)	50,070,039	(1,786,822)	48,283,217
Other receivables	14	Performing	12-month ECL	3,599,934	-	3,599,934
					(1,786,822)	

(i) The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by customers. The expected credit losses also incorporate forward looking information such as forecast of economic conditions where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults. Further details on the loss allowance for these receivables are disclosed in Note 14.

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables, before allowance for impairment, is as follows:

	Group	
	2023	2022
	US$	US$
By country:		
India	10,644,323	29,520,282
Sri Lanka	1,546,380	2,117,478
Bangladesh	7,262,700	6,618,274
Qatar	29,845,467	27,779,808
Other countries	7,809,239	9,894,101

ii) <u>Liquidity risk management</u>

sss risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The maturity profile of the lease liability as the reporting date based on contractual undiscounted repayment obligations is:

	Group			
	Carrying amount	Contractual cash flows	One year or less	One to five years
	US$	US$	US$	US$
<u>2023</u>				
Lease liabilities	1,441,235	1,517,541	595,462	922,079
<u>2022</u>				
Lease liabilities	1,726,348	1,826,890	599,835	1,227,055

	Company			
	Carrying amount	Contractual cash flows	One year or less	One to five years
	US$	US$	US$	US$
2023				
Lease liabilities	421,237	436,474	249,612	186,862
2022				
Lease liabilities	581,159	611,798	225,240	386,558

iii) Foreign exchange risk management

The Group undertakes in currencies other than their respective functional currencies ("foreign currencies") such as the Singapore Dollars ("SGD"), Sri Lanka Rupee ("LKR") and Bangladesh Taka ("BDT"). Currency risk arises when transactions are denominated in foreign currencies. In addition, the Group is exposed to currency translation risk on the net assets in foreign operations.

Exposure to currency risk

The Group's significant exposure to foreign currencies other than the respective Group entity's functional currencies are as follows:

	2023		
	SGD	LKR	BDT
	US$	US$	US$
Group			
Financial assets			
Cash and cash equivalents	740,925	62,753	316,687
Trade and other receivables	-	10,515	649,052
	740,925	73,268	965,739
Financial liabilities			
Trade and other payables	-	(112,850)	(246,030)
Net currency exposure	740,925	(39,582)	719,709

	2022		
	SGD	LKR	BDT
	US$	US$	US$
Group			
Financial assets			
Cash and cash equivalents	1,086,146	120,047	3,315,979
Trade and other receivables	-	10,260	598,780
	1,086,146	130,307	3,914,759
Financial liabilities			
Trade and other payables	-	(90,799)	(511,902)
Net currency exposure	1,086,146	39,508	3,402,857

	2023	2022
	SGD	SGD
	US$	US$
Company		
Financial assets		
Cash and cash equivalents	740,925	1,086,146
Net currency exposure	740,925	1,086,146

Sensitivity analysis for foreign currency risk

The following table details the sensitivity to a 10% increase/decrease in the exchange rate of the relevant foreign currencies against the functional currency of each group entity. The magnitude chosen represents management's assessment of the plausible movement in foreign exchange rates under trading conditions. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end.

If the relevant foreign currencies strengthen by 10% against the functional currency of each group entity, loss for the year will decrease (increase) by:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
SGD	74,093	108,615	74,093	108,615
LKR	(3,958)	3,951	-	-
BDT	71,971	340,286	-	-

If the relevant foreign currencies weaken by 10% against the functional currency of each group entity, loss for the year will increase (decrease) by the same amount above.

(d) Financial instruments whose carrying amount approximates fair value

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, and trade and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature. The fair values of other classes of financial liabilities are disclosed in the respective notes to financial statements.

(e) Capital management policies and objectives

The Group reviews its capital structure at least annually to ensure that the Group will be able to continue as a going concern. The capital structure of the Group include issued capital. The Group's overall strategy remain unchanged from prior year.

5. HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS

The Company is a wholly-owned subsidiary of Redington Limited, incorporated in India, which is also the Company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the Company's transactions and arrangements are between members of the Group and the effect of these on the basis determined between the parties is reflected in these financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated. Transactions between members of the Group have been eliminated on consolidation and are not disclosed in this note.

Significant transactions during the financial year ended:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Holding company:				
- Service fee	295,840	58,220	295,840	58,220
- Reimbursement of expenses	15,224	1,079	15,224	1,079
Related companies:				
- Fee income	-	50,000	-	50,000
- Sales	4,791,419	526,896	-	-
- Purchases	(40,458,302)	(30,919,715)	-	-
- Service charges	(172,179)	(193,010)	(172,179)	(193,010)
- Other expenses	(3,052,598)	(2,539,435)	-	-
- Reimbursement of expenses	(244,712)	(175,008)	-	-
- Finance costs	(810,023)	(636,636)	-	-
Subsidiaries				
- Sales	-	-	704,179	5,116,259
- Service charges	-	-	(593,101)	(536,538)

All the above transactions have been entered into the ordinary and usual course of business of the Group and either on normal commercial terms or on terms no less favourable than those available to or from independent third parties.

Compensation of Directors and Key Management Personnel

The remuneration of directors and other members of key management during the year was as follows:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Short term employee benefit	269,162	1,692,254	269,162	1,692,254
Contributions to defined contribution schemes	9,270	6,933	9,270	6,933
	278,432	1,699,187	278,432	1,699,187

6. SALES OF GOODS

(a) Disaggregation of revenue

	Group	
	2023	2022
	US$	US$
Major product or service lines		
Sales of goods	487,728,177	503,462,014
Timing of transfer of goods		
At a point in time	487,728,177	503,462,014

	Company	
	2023	2022
	US$	US$
Major product or service lines		
Sales of goods	144,383,713	245,401,066
Timing of transfer of goods		
At a point in time	144,383,713	245,401,066

(b) Contract liabilities

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Receivables from contracts with customers	55,257,806	73,491,926	25,063,160	48,283,217
Contract liabilities	2,554,901	2,376,167	2,532,437	2,320,300

The Group and the Company have recognised reversal of loss allowance on receivables arising from contracts with customers amounting to US$267,608 and US$151,963 (2022 : US$191,399 and US$425,073) respectively.

Contract liabilities primarily relate to the Group's and Company's obligation to transfer goods to customers for which the Group and the Company have received advances from customers.

Contract liabilities are recognised as revenue as the Group and the Company perform under the contract.

Significant change in contract liabilities is as follows:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Revenue recognised that was included in the contract liability balance at the beginning of the year	764,946	999,969	742,481	707,043

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Reversal of loss allowance on trade receivables	(267,608)	(191,399)	(151,963)	(425,073)
Allowance for (Reversal of allowance on) inventories	1,488,087	(1,584,501)	1,085,769	(1,659,867)
Depreciation of plant and equipment	105,473	68,392	5,944	3,165
Amortisation of intangible asset	304	3,077	-	-
Depreciation of right-of-use assets	545,712	502,506	226,005	172,339
Bank charges	428,330	332,209	182,812	117,490
Impairment loss on investment in a subsidiary	-	-	10,942	72,723

8. INCOME TAX EXPENSE

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Current income tax:				
- Current year	2,003,880	2,053,948	1,040,574	1,274,414
- Under (Over) provision in respect of previous years	34,804	(74,110)	67,857	(122,306)
- Withholding tax	357,993	829,568	357,993	829,568
- India tax provision	3,037,354	1,081,938	3,037,354	1,081,938
	5,434,031	3,891,344	4,503,778	3,063,614
Deferred income tax:				
- Origination and reversal of temporary differences	(8,200)	24,709	-	-
- Currency adjustment	(5,459)	(74,644)	-	-
	(13,659)	(49,935)	-	-
	5,420,372	3,841,409	4,503,778	3,063,614

Domestic income tax is calculated at 17% (2022 : 17%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The total charge for the year can be reconciled to the accounting profit as follows:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Profit before tax	14,994,127	14,838,320	6,128,693	7,503,371
Tax using the Singapore tax rate of 17% (2022 : 17%)	2,549,002	2,522,514	1,041,878	1,275,573
Effect of tax rates in foreign jurisdictions	(530,718)	(519,444)	-	-
Tax effect of not deductible expenses	11,700	32,119	11,700	11,748
Tax effect of income that are not taxable	(55,926)	(58,834)	-	-
Under (Over) provision in respect of previous years	34,804	(74,110)	67,857	(122,306)
Tax effect of partial tax exemption and tax relief	(13,004)	(12,907)	(13,004)	(12,907)
Withholding tax	357,993	829,568	357,993	829,568
Others	29,167	40,565	-	-
India tax provision	3,037,354	1,081,938	3,037,354	1,081,938
Income tax expense	5,420,372	3,841,409	4,503,778	3,063,614

9. PLANT AND EQUIPMENT

	Group				
	Computer	Furniture and equipment	Leasehold improvements	Motor vehicle	Total
	US$	US$	US$	US$	US$
Cost:					
At April 1, 2021	410,813	355,903	60,336	34,133	861,185
Additions	34,184	43,801	-	-	77,985
Disposals	(30,353)	(25,968)	-	-	(56,321)
Exchange differences	(25,166)	(14,806)	905	-	(39,067)
At March 31, 2022	389,478	358,930	61,241	34,133	843,782
Additions	116,057	51,773	-	-	167,830
Disposals	(83,369)	(11,073)	-	-	(94,442)
Exchange differences	(17,429)	(8,109)	84	-	(25,454)
At March 31, 2023	404,737	391,521	61,325	34,133	891,716
Accumulated depreciation:					
At April 1, 2021	295,729	272,785	3,025	34,133	605,672
Depreciation charge	37,637	27,719	3,036	-	68,392
Disposals	(106)	(25,945)	-	-	(26,051)
Exchange differences	(25,612)	(14,031)	72	-	(39,571)
At March 31, 2022	307,648	260,528	6,133	34,133	608,442
Depreciation charge	63,294	39,122	3,057	-	105,473
Disposals	(78,998)	(10,803)	-	-	(89,801)
Exchange differences	(10,164)	(4,540)	18	-	(14,686)
At March 31, 2023	281,780	284,307	9,208	34,133	609,428
Carrying amount:					
At March 31, 2023	122,957	107,214	52,117	-	282,288
At March 31, 2022	81,830	98,402	55,108	-	235,340

	Company		
	Computer	Furniture and equipment	Total
	US$	US$	US$
Cost:			
At April 1, 2021	116,603	23,284	139,887
Additions	3,870	3,892	7,762
At March 31, 2022	120,473	27,176	147,649
Additions	3,814	-	3,814
At March 31, 2023	124,287	27,176	151,463
Accumulated depreciation:			
At April 1, 2021	114,694	14,287	128,981
Depreciation charge	1,292	1,873	3,165
At March 31, 2022	115,986	16,160	132,146
Depreciation charge	2,995	2,949	5,944
At March 31, 2023	118,981	19,109	138,090
Carrying amount:			
At March 31, 2023	5,306	8,067	13,373
At March 31, 2022	4,487	11,016	15,503

10. INTANGIBLE ASSETS

	Group
	Computer software
	US$
Cost:	
At April 1, 2021	32,623
Exchange differences	(11,016)
At March 31, 2022	21,607
Exchange differences	(1,012)
At March 31, 2023	20,595
Accumulated amortisation:	
At April 1, 2021	28,171
Amortisation charge	3,077
Exchange differences	(10,407)
At March 31, 2022	20,841
Amortisation charge	304
Exchange differences	(946)
At March 31, 2023	20,199
Carrying amount:	
At March 31, 2023	396
At March 31, 2022	766

Intangible assets relate to cost incurred on computer software. This is amortised on a straight-line basis over 5 years.

11. RIGHT-OF-USE ASSETS

	Group		
	Office space	Warehouses	Total
	US$	US$	US$
Cost:			
At April 1, 2021	1,290,269	1,559,807	2,850,076
Additions	53,743	315,828	369,571
Currency adjustment	(41,722)	-	(41,722)
At March 31, 2022	1,302,290	1,875,635	3,177,925
Additions	633,150	3,676	636,826
Termination of lease	(895,966)	-	(895,966)
Currency adjustment	(6,620)	-	(6,620)
At March 31, 2023	1,032,854	1,879,311	2,912,165
Accumulated depreciation:			
At April 1, 2021	324,719	747,653	1,072,372
Depreciation for the year	250,365	252,141	502,506
Currency adjustment	(54,973)	(10,647)	(65,620)
At March 31, 2022	520,111	989,147	1,509,258
Depreciation for the year	256,698	289,014	545,712
Termination of lease	(525,342)	-	(525,342)
Currency adjustment	(1,324)	(1,490)	(2,814)
At March 31, 2023	250,143	1,276,671	1,526,814
Carrying amount:			
At March 31, 2023	782,711	602,640	1,385,351
At March 31, 2022	782,179	886,488	1,668,667

	Company		
	Office space	Warehouses	Total
	US$	US$	US$
Cost:			
At April 1, 2021	612,458	394,564	1,007,022
Additions	-	315,828	315,828
At March 31, 2022	612,458	710,392	1,322,850
Additions	62,060	3,676	65,736
At March 31, 2023	674,518	714,068	1,388,586
Accumulated depreciation:			
At April 1, 2021	195,516	394,564	590,080
Depreciation for the year	102,076	70,263	172,339
At March 31, 2022	297,592	464,827	762,419
Depreciation for the year	120,126	105,879	226,005
At March 31, 2023	417,718	570,706	988,424
Carrying amount:			
At March 31, 2023	256,800	143,362	400,162
At March 31, 2022	314,866	245,565	560,431

The Group has a lease contract for its office premises and warehouses with a lease term of 3 to 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

The Group has several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Amount recognised in profit or loss relating to leases (The Group and Company as lessee)

(Disclosure required under FRS 116)

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Depreciation of right-of-use assets	545,712	502,506	226,005	172,339
Interest expense on leases liabilities	57,116	79,424	19,424	36,174

12. INVESTMENT IN SUBSIDIARIES

Name of Company (Country of incorporation	Principal activities (Place of business)	Cost of investment		Proportion of ownership interest	
		2023	2022	2023	2022
		US$	US$	%	%
Held by the Company					
Redington Bangladesh Limited (Bangladesh)	Marketing, selling and maintenance of computer hardware, accessories and spare parts (Bangladesh)	51,294	51,294	99	99
Redington SL Private Limited # (Sri Lanka)	Wholesale distribution of Information Technology products and spare parts (Sri Lanka)	250,000	250,000	100	100
Redington Qatar Distribution WLL (Qatar)*	Wholesale distribution of Information Technology products and spare parts (Qatar)	490,453	490,453	49	49
Redington Qatar WLL (Qatar)*	Servicing of information technology products (Qatar)	128,148	139,090	49	49
		919,895	930,837		

* Beneficial interest is 100%

The business acquisition of Redington Qatar Distribution WLL and Redington Qatar WLL does not meet the definition of a ‘Business Combination’ under FRS 103 since it does not result in any change of economic substance as far as shareholders of Redington Qatar Distribution WLL and Redington Qatar WLL are concerned. This transaction is a business combination involving entities under common control and accordingly, the Group has applied the pooling of interest method.

The assets and liabilities of Redington Qatar Distribution WLL and Redington Qatar WLL acquired as at December 2, 2018 had been recorded at book values and the difference between the consideration paid and net assets of the business acquired was reflected within merger reserve.

During the financial year, management performed an impairment test for its investment in Redington Qatar WLL. An impairment loss of US$10,942 (2022 : US$72,723) was recognised for the financial year ended March 31, 2023 to write down the investment cost to its recoverable amount. The recoverable amount of investment in Redington Qatar WLL was determined as US$128,148.

13. INVENTORIES

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Finished goods (at cost or net realisable value)	24,387,915	10,710,369	3,549,086	4,580,315
Statement of profit or loss and other comprehensive income				
Inventories recognised as an expense in cost of sales	458,651,628	475,618,347	134,930,012	234,280,996
Inclusive of the allowance for (reversal of allowance on) inventories	1,488,087	(1,584,501)	1,085,769	(1,659,867)

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Trade receivables:				
- Outside parties	56,954,255	75,709,591	26,192,936	47,000,362
- Amount due from holding company	13,030	13,030	13,030	13,030
- Amount due from related company	431,199	207,322	290,375	12,556
- Amount due from subsidiaries	-	-	201,678	3,044,091
	57,398,484	75,929,943	26,698,019	50,070,039
Loss allowance	(2,140,678)	(2,438,017)	(1,634,859)	(1,786,822)
	55,257,806	73,491,926	25,063,160	48,283,217
Deposits	173,450	170,583	68,408	62,741
Staff loan	15,577	8,095	-	-
GST receivables	224,592	1,422,351	224,592	1,422,351
Prepayments	171,083	214,180	7,732	83,650
Other receivables	4,376,414	4,076,380	4,171,550	3,537,193
	60,218,922	79,383,515	29,535,442	53,389,152

The average credit period ranges from 30 to 90 days (2022 : 30 to 90 days). No interest is charged on the trade receivables.

The following table details the risk profile of trade receivables from contracts with customers based on the provision matrix of the Group. As the historical credit loss experience of the Group does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the different customer base of the Group.

	Group			
	Not past due	Past due 1 to 90 days	Past due more than 90 days	Total
	US$	US$	US$	US$
March 31, 2023				
Expected credit loss rate	-	4%	27%	
Estimated total gross carrying amount	42,391,050	8,401,299	6,606,135	57,398,484
Lifetime ECL	-	(343,695)	(1,796,983)	(2,140,678)
Total	42,391,050	8,057,604	4,809,152	55,257,806
March 31, 2022				
Expected credit loss rate	-	1%	51%	
Estimated total gross carrying amount	30,464,453	41,047,150	4,418,340	75,929,943
Lifetime ECL	-	(199,000)	(2,239,017)	(2,438,017)
Total	30,464,453	40,848,150	2,179,323	73,491,926

	Company			
	Not past due	Past due 1 to 90 days	Past due more than 90 days	Total
	US$	US$	US$	US$
March 31, 2023				
Expected credit loss rate	-	4%	31%	
Estimated total gross carrying amount	14,505,125	8,062,705	4,130,189	26,698,019
Lifetime ECL	-	(343,695)	(1,291,164)	(1,634,859)
Total	14,505,125	7,719,010	2,839,025	25,063,160
March 31, 2022				
Expected credit loss rate	-	1%	35%	
Estimated total gross carrying amount	30,061,831	15,487,418	4,520,790	50,070,039
Lifetime ECL	-	(190,796)	(1,596,026)	(1,786,822)
Total	30,061,831	15,296,622	2,924,764	48,283,217

The movement in credit loss allowance is as follows:

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Balance at beginning of year	2,438,017	2,962,221	1,786,822	2,211,895
Reversal of loss allowance	(267,608)	(191,399)	(151,963)	(425,073)
Exchange differences	(29,731)	(332,805)	-	-
Balance at end of year	2,140,678	2,438,017	1,634,859	1,786,822

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Fixed deposits	128,465	137,458	80,413	79,868
Cash and bank balances	41,638,550	47,431,393	34,740,342	36,229,794
	41,767,015	47,568,851	34,820,755	36,309,662

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Non-current				
Other payables	229,101	171,297	-	-
Current				
Trade payables				
- Outside parties	42,817,558	53,442,170	16,894,583	37,196,030
- Amount due to a related company	10,480,244	13,055,300	1,022,803	627,873
Accrued operating expenses	2,177,766	2,990,457	223,009	1,344,323
Other payables	1,092,547	1,117,072	-	-
	56,568,115	70,604,999	18,140,395	39,168,226

The average credit period on purchases of goods is 90 days (2022 : 90 days). No interest is charged on the outstanding balance.

17. LEASE LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Maturity analysis:				
Year 1	595,462	599,835	249,612	225,240
Year 2	513,396	555,174	174,501	225,240
Year 3	228,413	478,673	12,361	151,736
Year 4	113,836	193,208	-	9,582
Year 5	66,434	-	-	-
	1,517,541	1,826,890	436,474	611,798
Less: Unearned interest	(76,306)	(100,542)	(15,237)	(30,639)
	1,441,235	1,726,348	421,237	581,159
Analysed as:				
Current	554,252	538,253	238,052	207,765
Non-current	886,983	1,188,095	183,185	373,394
	1,441,235	1,726,348	421,237	581,159

Reconciliation of liabilities arising from financing activities

The table below details changes in the liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	Group						
	April 1, 2022	New lease liability	Financing cash flows	Termination of lease	Interest expense	Other changes[i]	March 31, 2023
	US$	US$	US$	US$	US$	US$	US$
Lease liabilities including interest paid	1,726,348	636,826	(594,688)	(376,590)	57,116	(7,777)	1,441,235

	Company					
	April 1, 2021	New lease liability	Financing cash flows	Interest expense	Other changes[i]	March 31, 2022
	US$	US$	US$	US$	US$	US$
Lease liabilities including interest paid	1,822,171	369,571	(566,326)	79,424	21,508	1,726,348

[i] Other changes include foreign exchange (gain) loss.

	Company				
	April 1, 2022	New lease liability	Financing cash flows	Interest expense	March 31, 2023
	US$	US$	US$	US$	US$
Lease liabilities including interest paid	581,159	65,736	(245,082)	19,424	421,237

	Company				
	April 1, 2021	New lease liability	Financing cash flows	Interest expense	March 31, 2022
	US$	US$	US$	US$	US$
Lease liabilities including interest paid	432,583	315,828	(203,426)	36,174	581,159

18. SHARE CAPITAL

	Group and Company	
	2023	2022
	US$	US$
Issued and fully paid: -		
3,800,000 ordinary shares	4,000,000	4,000,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

19. OTHER RESERVE

Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to director and employees. The reserve is made up of the cumulative value of services received from director and employees recorded over the vesting period commencing from the grant date of equity-settled share options.

Employee Stock Option Plan 2008

The director and employees of the Company are eligible to participate in the Share Option Plan ("Option Plan") of the holding company. Options are typically granted with an exercise price equal to or above fair market value on the date of grant. Under the Option Plan, options vest and become exercisable in instalments, generally on a rateable basis. The contractual life of the options is one to eight years. There are no cash settlement alternatives.

There were no share options as at March 31, 2023 and March 31, 2022.

20. MERGER RESERVE

Merger reserve represents the difference between the considerations paid and the nominal value of the share capital issued in respect of the acquisition of subsidiaries accounted for under pooling-of-interest method.

21. DEFERRED TAX ASSET

Deferred tax asset relates to the following:

	Group	
	2023	2022
	US$	US$
Deferred tax asset:		
Provisions	146,556	138,356

22. COMMITMENTS AND CONTINGENCIES

Legal claims contingency

In the ordinary course of business, the Group and Company face claims and assertions by various parties. The Group and Company assess such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Group and the Company record a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Group and the Company provide disclosure in the financial statements but do not record a liability in its accounts unless the loss becomes probable.

	Group		Company	
	2023	2022	2023	2022
	US$	US$	US$	US$
Disputed Tax demands				
India Income Tax	32,950,966	25,248,977	32,950,966	25,248,977

Demand raised by India Income Tax Department for US$37,624,517 contending there is a Permanent Establishment in India by Redington Distribution Pte. Ltd. (the “Company”) relating to Financial years 2010-11 to 2017-18. The Company had made a pre-deposit of US$4,099,747 under protest as part of the proceedings. The Company is contesting the demand before the appropriate legal forum. Based on the management’s assessment of the demand raised and opinion of the legal counsel and tax advisor, the Company created a provision to the extent of US$4,673,551.

The legal counsel and tax advisor also opined that apart from the above provision, the rest of the demand is not sustainable in law. The Company also believes that such amount has been determined in an arbitrary manner and there would be no material adverse outcome in this matter. Hence, no provision is created in the books for the remaining amount of US$32,950,966 (US$37,624,517 Less : US$4,673,551).

23. DIVIDENDS

	Group	
	2023	2022
	US$	US$
Declared and paid during the financial year:		
Dividends on ordinary shares:		
- Final exempt (one-tier) dividend for US$2.63 (2022 : US$2.63)	10,000,000	10,000,000

24. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended March 31, 2023 were authorised for issue in accordance with a resolution of the director on May 11, 2023.

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Deloitte Haskins & Sells

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INDEPENDENT AUDITOR'S REPORT

To The Members of ProConnect Supply Chain Solutions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **ProConnect Supply Chain Solutions Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

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

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

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

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

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

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

    d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on April 1, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 37 to the standalone financial statements.

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's 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, 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.

(b) The Management has represented, that, to the best of it's 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, 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.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

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vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJU7965

Place: Chennai
Date: 10 May 2023

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of **ProConnect Supply Chain Solutions Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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Meaning of Internal Financial Controls with reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the criteria for internal financial control established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Ananthi

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJU7965

Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible Assets:

The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress, and relevant details of Right-of-use assets.

The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment, Capital work-in-progress and Right-of-use assets were physically verified during the year by the Management in accordance with a programme of verification in a phased manner over a period of three years which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties, which are reported under Property, Plant and Equipment, Capital work-in-progress and hence reporting under clause(i)(c) of the CARO 2020 is not applicable.

In respect of immovable properties of buildings that have been taken on lease and disclosed as Right of use assets as at the Balance sheet date, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including Right of use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii)(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion, according to the information and explanations given to us, the quarterly returns or statements (book debt statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

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(iii) (a) The Company has made investments to companies, during the year and details of which are given below:

(Rs. In Crores)

Particulars	Investment
A. Aggregate amount of investment made during the year:	
-Subsidiary- ProConnect Holding LLC	0.69
B. Balance outstanding as at balance sheet date in respect of above cases:*	
- Subsidiary ProConnect Holding LLC	0.69

The Company has not provided guarantee or security, granted any advances in nature of loans or security to any other entity, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

(b) The investments made during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) According to information and explanations given to us and based on the audit procedures performed, In respect of loans granted and advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts of principal amounts and interest have been regular as per stipulations except for the following:

(Rs. In Crores)

Name of the entity	Nature	Amount	Due date	Extent of delay	Remarks, if any
Rajprotim Agencies Private Limited	Loan amount -Principal Outstanding	5.00	08-Jul-17	More than 4 Years	Loan has been provided for.
Rajprotim Agencies Private Limited	Loan amount -Principal Outstanding	5.00	06-Sep-18	More than 4 Years	Loan has been provided for.
Rajprotim Agencies Private Limited	Loan amount -Principal Outstanding	2.00	29-Mar-18	More than 4 Years	Loan has been provided for.
Total		**12.00**			

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

Deloitte
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(Rs. In Crores)

Name of the entity	Nature	Amount	Due date	Extent of Delay	Remarks, if Any
Rajprotim Agencies Private Limited	Interest on Loan Outstanding	0.90	30-Sep-18, 31-Dec-18, 31-Mar-19	More than 4 Years	Interest has been provided for.
Rajprotim Agencies Private Limited	Interest on Loan Outstanding	1.20	30-Jun-19, 30-Sep-19, 31-Dec-19, 31-Mar-20	3 to 4 Years	Interest has been provided for.
Rajprotim Agencies Private Limited	Interest on Loan Outstanding	1.20	30-Jun-20, 30-Sep-20, 31-Dec-20, 31-Mar-21	2 to 3 Years	Interest has been provided for.
Rajprotim Agencies Private Limited	Interest on Loan Outstanding	0.95	30-Jun-21, 30-Sep-21, 31-Dec-21, 31-Mar-22	1 to 2 Years	Interest has been provided for.
TOTAL		**4.25**			

(d) According to information and explanations given to us and based on the audit procedures performed, In respect of following loans granted by the Company, Principal outstanding amounting to Rs. 12.00 crores and Interest Accrued thereon amounting to Rs. 4.25 Crores which have been overdue for more than 90 days at the balance sheet date, as explained to us, the Management has taken reasonable steps for recovery of the principal amounts and interest. The Company had already provided for the loan in the earlier years and interest has been provided as and when accrued/due for payment.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

(iv) According to information and explanation given to us, the Company has not granted any loans or provided guarantees or securities that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013, and hence reporting under clause (iv) of the Order is not applicable. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of, investments made.

(v) According to the information and explanations given to us, the Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of:

(a) Undisputed statutory dues, including Goods and Service tax, Duty of Custom, Provident Fund, Employee's State Insurance, Cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of dues towards Income tax and Professional Tax.

(b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of Custom, Professional Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

(Rs. In Crores)

Name of statute	Nature of dues	Forum where dispute is pending	Disputed amount	Period to which the amount relates to
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals) Chennai	0.39	AY 2018-19
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals) Chennai	0.23	AY 2020-21
TOTAL			**0.62**	

(viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) In our opinion and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) According to the explanation and information provided to us, the Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On overall examination of financial statements of the Company and according to the information and explanations given to us, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) In our opinion and according to the information and explanations given to us, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company does not hold any investment in any joint venture as defined under the Companies Act.

(x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made private placement of Equity Shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of convertible debentures (fully or partly or optionally) during the year.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2020 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv)(a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to March 31, 2023 under audit, in determining the nature, timings and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi)(a) to (c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) In our opinion and according to the information and explanations given to us, there is no core investment company (CIC) within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

Deloitte Haskins & Sells

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

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

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Ananthi

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJU7965

Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

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ProConnect Supply Chain Solutions Limited
Standalone Balance Sheet as at 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	16A	10.29	9.44
Capital work in progress	16B	0.06	0.04
Right-of-use assets	18	60.59	54.47
Goodwill	17	15.74	15.74
Other intangible assets	17	8.33	11.38
Financial assets			
Investments	19	0.69	-
Other financial assets	25	20.72	16.55
Deferred tax assets (net)	15	9.99	8.12
Income tax assets	15	8.13	6.76
Other non-current assets	26	63.35	2.49
Total non-current assets		**197.89**	**124.99**
Current assets			
Inventories	20	-	-
Financial assets			
Trade receivables	21	86.69	81.51
Cash and cash equivalents	22	64.34	13.71
Other bank balances	23	7.62	22.05
Loans	24	-	-
Other financial assets	25	39.21	35.19
Other current assets	26	3.41	6.58
Total current assets		**201.27**	**159.04**
Total assets		**399.16**	**284.03**
Equity and liabilities			
Equity			
Equity share capital	27A	13.62	10.73
Other equity	27B	181.80	97.03
Total equity		**195.42**	**107.76**

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DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Standalone Balance Sheet as at 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	18	39.40	40.12
Other financial liabilities	31	5.94	7.26
Provisions	33	6.32	6.16
Other non-current liabilities	32	0.52	-
Total non-current liabilities		**52.18**	**53.54**
Current liabilities			
Financial liabilities			
Borrowings	29	-	7.97
Lease liabilities	18	22.44	17.27
Trade payables	30		
Total outstanding dues to micro enterprises and small enterprises		3.70	0.70
Total outstanding dues to creditors other than micro enterprises and small enterprises		81.61	69.93
Other financial liabilities	31	14.85	13.62
Other current liabilities	32	17.02	7.85
Provisions	33	11.94	5.39
Total current liabilities		**151.56**	**122.73**
Total liabilities		**203.74**	**176.27**
Total equity and liabilities		**399.16**	**284.03**

Significant accounting policies — 3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No:008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087658

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date: 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date: 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

ProConnect Supply Chain Solutions Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	Year Ended 31 March 2023	Year ended 31 March 2022
Revenue			
Revenue from operations	6	526.31	492.11
Other income	7	6.17	10.49
Total income		**532.48**	**502.60**
Expenses			
Purchase of spares	8	0.02	0.05
Changes in inventories of spares	9	-	-
Other operating expenses	10	374.32	345.12
Employee benefits expense	11	50.54	43.66
Finance costs	12	6.10	6.63
Depreciation and amortisation expense	13	28.91	27.18
Other expenses	14	62.30	58.53
Total expenses		**522.19**	**481.17**
Profit before tax		**10.29**	**21.43**
Income tax	15		
Current tax		4.71	6.29
Deferred tax		(1.93)	0.24
Income tax expense		**2.78**	**6.53**
Profit for the year		**7.51**	**14.90**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability	33	0.22	0.55
Income tax relating to items that will not be reclassified to profit or loss	15	(0.06)	(0.14)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**0.16**	**0.41**
Other comprehensive income for the year, net of income tax		**0.16**	**0.41**
Total comprehensive income for the year		**7.67**	**15.31**
Earnings per share (Face value Rs 10 per share)			
Basic (in Indian Rupees)	28	6.94	15.26
Diluted (in Indian Rupees)		6.94	15.26
Significant accounting policies	3		

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No:008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087468

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date: 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date: 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

ProConnect Supply Chain Solutions Limited

Standalone Statement of changes in equity for the year ended 31 March 2023

(All amounts are in Indian Rupees in crores, except share data and as stated)

(a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2021	27A	**9.08**
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2021		9.08
Changes in equity share capital during the year		1.65
Balance as at 31 March 2022	27A	**10.73**
Balance as at 1 April 2022	27A	**10.73**
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2022		**10.73**
Changes in equity share capital during the year	27A	2.89
Balance as at 31 March 2023	27A	**13.62**

(b) Other equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total
				Items that will not be reclassified to profit and loss	
	Capital reserve	Securities premium	Retained earnings	Remeasurement of defined benefit obligations	
Balance as at 1 April 2021	5.41	35.47	22.97	(1.48)	62.37
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April, 2021	5.41	35.47	22.97	(1.48)	62.37
Profit for the year	-	-	14.90	-	14.90
Other comprehensive income for the year	-	-	-	0.41	0.41
Transferred to retained earnings	-	-	-	-	-
Securities Premium		19.35	-		19.35
Balance as at 31 March 2022	5.41	54.82	37.87	(1.07)	97.03
Balance as at 1 April 2022	5.41	54.82	37.87	(1.07)	97.03
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April, 2022	5.41	54.82	37.87	(1.07)	97.03
Profit for the year	-	-	7.51	-	7.51
Other comprehensive income for the year	-	-	-	0.16	0.16
Transferred to retained earnings	-	-	-	-	-
Securities Premium	-	77.10	-	-	77.10
Balance as at 31 March 2023	5.41	131.92	45.38	(0.91)	181.80

Significant accounting policies 3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No:008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2018PLC08[illegible]

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

ProConnect Supply Chain Solutions Limited
Standalone Statement of Cash Flow for the year ended 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities			
Profit before taxes		10.29	21.43
Adjustments for:			
Depreciation and amortisation		28.91	27.18
Provision no longer required written back		(0.92)	(4.41)
Provision for financial asset		-	0.95
Bad debts written off		-	4.59
(Gain) on sale of property, plant and equipment		(0.68)	(0.85)
Finance costs		6.10	6.63
Interest income on security deposits at amortised cost		(2.15)	(2.07)
Interest income on cash and cash equivalents and loans		(0.69)	(1.33)
		40.86	**52.12**
Working capital adjustments:			
(Increase) / Decrease in trade receivables		(4.26)	17.81
(Increase) in other current / non-current financial assets		(7.82)	(10.87)
Decrease in other current / non current assets		1.37	14.28
Increase in trade payable and other financial liabilities		14.58	6.22
Increase in provisions and other current liabilities		16.31	0.11
Cash generated from operating activities		**61.04**	**79.67**
Income tax (paid) / refund		(6.08)	3.59
Net cash generated from operating activities (A)		**54.96**	**83.26**
Cash flow from investing activities			
Interest received		0.70	0.86
Proceeds from sale of property, plant and equipment		1.13	1.07
Acquisition of property, plant and equipment including capital advances		(64.26)	(4.61)
(Investments) in/ Redemption of bank deposits with original maturity of more than 3 months		14.43	(13.18)
(Investment) in subsidiaries		(0.69)	-
Net cash used in investing activities (B)		**(48.69)**	**(15.86)**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Standalone Statement of Cash Flow for the year ended 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from financing activities			
Repayment of long term borrowings		(7.97)	(14.02)
Repayment of borrowings from related parties		-	(20.00)
Net proceeds from short term borrowings		-	(15.00)
Proceeds from Issue of Share capital (including securities premium)		80.00	21.00
Payment of finance lease obligations		(26.95)	(24.28)
Interest paid		(0.72)	(3.43)
Net cash used in financing activities (C)		**44.36**	**(55.73)**
Net increase in cash and cash equivalents (A+B+C)		**50.63**	**11.67**
Cash and cash equivalents as at 1 April		13.71	2.04
Cash and cash equivalents as at 31 March	22	**64.34**	**13.71**

Significant accounting policies 3

The notes referred to above form an integral part of standalone financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No:008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date: 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date: 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

1 Background

ProConnect Supply Chain Solutions Limited ('ProConnect' / 'the Company') incorporated on 31 August 2012, is a wholly owned subsidiary of Redington Limited ('Formerly known as Redington (India) Limited)'). The Company is engaged in the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

2 Basis of preparation

2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These standalone financial statements were authorised for issue by the Company's Board of Directors on 10 May 2023.
Details of the Company's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

2.3 Basis of measurement

The standalone financial statements have been prepared on accrual basis under the historical cost convention except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities	Fair value
- Defined benefit liability	Present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle.

2.4 Current and Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the requirement under Schedule III to be classified as current or non-current.An asset is classified as current when it is:
1.Expected to be realised or intended to be sold or consumed in normal operating cycle;
2.Held primarily for the purpose of trading;
3.Expected to be realised within twelve months after the reporting period:
4.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:
1.It is expected to be settled in normal operating cycle;
2.It is held primarily for the purpose of trading;
3.It is due to be settled within twelve months after the reporting period . There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

2.5 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions considered in the reported amount of assets, liabilities (including contingent assets and contingent liabilities), the reported income and the expenses during the year. The management believes that these estimates, judgements and assumptions used in the preparation of the standalone financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. Estimates, judgements, and underlying assumptions are reviewed on an ongoing basis. Key sources of judgement and estimation uncertainties at the date of the standalone financial statements, which may cause a material adjustment to income and expenditure or the carrying amounts of assets and liabilities, are in respect of revenue recognition, provision for tax and contingent liability, stock appreciation rights, Service Level Agreement (SLA) Provision, Lease accounting under IND AS 116, allowance for doubtful trade receivables and impairment of financial assets and goodwill.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:
- Note 6 – revenue : whether the Company acts as an agent rather than as a principal in a transaction; and
- Note 18 – lease accounting under Ind AS 116
- Note 33 – SLA provision (Provision others)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:
- Note 33 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 25 – impairment of financial assets.
- Note 17 – Goodwill.
- Note 15 – Provsison for taxation and Contingent Liabilities. (Income Tax assets)
- Note 40 – Stock Appreciation Rights.

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CHENNAI-17
CHARTERED ACCOUNTANTS

2.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 34 – financial instruments
- Note 40 – stock appreciation rights

3 Significant accounting policies

3.1 i. Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015

The Company has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Company accounts for these business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (other than common control business combinations) before 1 April 2015

In respect of such business combinations, goodwill represents the amount recognised under the Company's previous accounting framework under Indian GAAP.

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company, at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Significant accounting policies (continued)

3.3 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised as gain or loss in the statement of profit and loss.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The difference between the carrying amount of the financial liability de-recognised and the sum of consideration paid and payable is recognised as gain or loss in the statement of profit and loss.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The company does not hold derivative financial instruments for speculative purposes. Forward contracts are recognised initially at fair value on the date the contract is entered into and are subsequently remeasured at fair value. The resulting gain or loss is recognised in the statement of profit and loss.

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CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.4 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment except capital work-in-progress are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Capital work-in-progress is stated at cost less any recognised impairment loss

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other costs including repairs and maintenance costs are charged to the statement of profit and loss as and when incurred.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and Machinery	5 years	15 years
Computer and accessories	3 years	3 years
Furniture and fixtures	4 years	10 years
Office equipment's	5 years	5 years
Vehicles	5 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Property, plant and equipment is depreciated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, whichever is lower and is recognised in statement of profit and loss.

Individual assets whose cost does not exceed INR 5,000/- are fully depreciated in the month of addition.

Depreciation on additions (disposals) is provided from (upto) the month in which asset is ready for use (disposed of).

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.5 Intangible assets

i. Recognition and measurement

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Software	3 - 5 years
Customer contracts	5 years
Customer relationships	8 years

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

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Company's cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the CGU.

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average method and cost of inventories comprise all cost of purchase and other cost incurred in bringing the inventories to the present location and condition, net of discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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3 Significant accounting policies (continued)

3.7 Impairment (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on financial assets has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held)
- the financial asset is 365 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.8 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Company's gratuity plan is unfunded. Defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method at each balance sheet date. The defined benefit obligation is determined as the present value of the estimated future cash flows expected to be made by the Company in respect of services rendered by its employees upto the reporting date.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss under finance costs and employee benefit expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.9 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.10 Revenue recognition

The Company earns revenue primarily from the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

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

- Revenue from warehousing management services where the Company leases out warehouse space along with warehousing equipment's is measured based on the mutually agreed monthly rent with customers. Revenue for warehousing management services are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

- Revenue from third party logistics services is recognised based on the consignment notes issued by the Company. Revenue is measured based on the mutually agreed rate as per the contract with the customer.
- Revenue from allied services is recognised on output basis, measured by number of orders processed.
- Revenue from sales of goods and scrap sales is recognised at the point in time when control is transferred to the customer.

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

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

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by the nature of services offered to the customers. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. Refer Note 5.

3.11 Leases

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

A. Company as a lessee:

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.
The lease payments shall include:

-fixed payments, including in substance fixed payments;
-variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
-amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short term leases and low value assets:

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

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.11 Leases (Continued)

B. Company as a lessor:

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company applies derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

3.12 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.13 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent when it relates to an item recognised directly in equity or in other comprehensive income respectively.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.13 Income tax (continued)

ii. Deferred tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax will not be recognised, when:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.14 Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.15 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

3.16 Cash flows

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Company are segregated.

3.17 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.18 Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.
Grants that compensate the Company for expenses incurred are recognised in statement of profit or loss as other income on a systematic basis in the periods in which such expenses are recognised.

3.19 Dividend to share holders

Final dividend is distributed to Equity share holders is recognised in the period in which it is approved by the members of the Company in the Annual General Meeting. Final dividend net of divided distribution tax are recognised in the Statement of Changes in Equity.

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, with respect to Ind AS 1 Presentation of Financial Statements, Ind AS 8 Changes in accounting policies, estimates and errors, Ind AS 12 Income taxes, Ind AS 103 Business Combinations, Ind AS 102 Share Based Payments, Ind AS 109 Financial Instruments and Ind AS 115 Revenue from Contract with Customers. The Company does not expect these amendments to have any significant impact in its standalone financial statements.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

5 Operating segments

The Company is engaged in only one business namely providing supply chain management ('SCM') services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assesses its performance. Accordingly, the Company does not have multiple segments and the standalone financial statements are reflective of the information required by the Ind AS 108 for SCM segment.

A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
India	501.15	473.45
USA	25.16	18.66
Total	**526.31**	**492.11**

The Company's operations are entirely carried out from India and as such all its non-current assets are located in India.

B. Major Customers

Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Customer A	111.74	93.31
Customer B	105.74	82.88
Customer C	87.41	82.99
Total	**304.89**	**259.18**

6 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	0.08	0.18
Sale of services		
Income from supply chain management services ^^		
Domestic	500.64	472.98
Export	25.16	18.66
Less: Provision for specific Revenue	-	-
Other operating revenue		
Scrap Sales	0.43	0.29
Total	**526.31**	**492.11**

^^ Includes revenue INR 0.54 crores (31 March 2022: INR 0.67 crores) from renting of warehouse, net of related cost in respect of which the Company acts as an agent in the transaction rather than as the principal.

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DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

7 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
Cash and cash equivalents and other bank balances	0.69	0.39
Loan to corporates	-	0.94
Security deposits at amortised cost	2.15	2.07
Net gain on sale of property, plant and equipment	0.68	0.85
Net gain on foreign currency transactions	0.05	0.13
Gain on lease termination	0.75	-
Insurance claim	0.37	-
Provision no longer required written back	0.92	4.41
Finance income on lease	0.54	0.67
Miscellaneous income	0.02	1.03
Total	**6.17**	**10.49**

8 Purchase of spares

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of spares	0.02	0.05
Total	**0.02**	**0.05**

9 Changes in inventories of spares

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Decrease in inventory of spares of INR 5,941 for year ended 31 March 2023 (31 March 2022: INR 13,539) has been rounded off in crores to Nil.

10 Other operating expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Freight, delivery and shipping charges	153.14	142.68
Rent	58.89	47.87
Outsourced manpower cost	131.87	130.81
Warehouse handling charges	30.42	23.76
Total	**374.32**	**345.12**

11 Employee benefits expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	41.37	34.13
Contribution to provident & other funds	1.64	1.56
Gratuity	1.29	0.63
Expenses related to compensated absences	0.55	0.31
Staff welfare expenses	5.69	7.03
Total	**50.54**	**43.66**

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund (PF) and employees' state insurance (ESI) scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund INR 1.55 crores (31 March 2022: INR 1.47 crores) and ESI for the year INR 0.09 crores (31 March 2022: INR 0.09 crores).

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

12 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on cash credit / working capital loans	0.01	2.27
Interest on loan from related parties	-	0.59
Interest on lease liabilities	5.08	2.83
Other interest cost	1.01	0.94
Total	**6.10**	**6.63**

13 Depreciation and amortisation expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 16A)	3.89	4.90
Amortisation of intangible assets (refer note 17)	3.05	3.33
Depreciation of right-of-use assets (refer note 18)	21.97	18.95
Total	**28.91**	**27.18**

14 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of packing materials	1.14	0.65
Power and fuel	5.36	4.40
Rates and taxes	4.18	3.40
Insurance	3.30	1.12
Repairs and maintenance		
Buildings	1.55	0.66
Machinery	1.87	1.81
Others	12.01	8.40
Directors' sitting fees	0.39	0.04
Legal and professional charges	5.77	3.97
Auditor's Remuneration (refer note (a) below)	0.25	0.45
Travel and Conveyance	3.81	4.86
Sales promotion expenses	0.32	0.12
Communication expenses	2.04	3.16
Security services	15.15	15.18
Printing and stationery	3.36	2.67
Provision for financial asset (refer note (c) below)	-	0.95
Bad debts written off (net of adjustment against provision for doubtful receivables INR Nil crores (31 March 2022: INR Nil crores)	-	4.59
Trade Advance written off	-	20.69
Less: Provision for Trade advance reversed	-	(20.69)
	-	-
Provision for other assets	-	0.25
Bank charges	0.21	0.12
Expenditure on Corporate social responsibility (refer note (b) below)	0.30	0.45
Miscellaneous expenses	1.29	1.28
Total	**62.30**	**58.53**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

14 Other expenses (continued)

a. Payment to auditors

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Statutory audit	0.17	0.30
Tax audit	0.02	0.06
Limited Review	0.04	0.03
Other services	0.02	0.01
Reimbursement of expenses	-	0.00
Payment to component auditor	-	0.05
Total	**0.25**	**0.45**

b. Details of corporate social responsibility expenditure

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Amount required to be spent by the company during the year,	**0.30**	**0.45**
(b) Amount of expenditure incurred,	0.30	0.45
(c) Shortfall / (Surplus) at the end of the year,	-	-
(d) Total of previous years shortfall.	0.21	0.42
(e) Reason for shortfall.	-	Refer Note i) Below
(f) Nature of CSR activities	Differently abled enhancement Projects, Environment, Education, Health care	Differently abled enhancement Projects
(g) Details of related party transactions	-	-
(h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:	NA	-
Opening balance	0.42	0.50
Amount required to be spent during the year	-	-
Amount spent during the year	0.21	0.08
Closing balance	0.21	0.42

Note i): Due to Covid induced lockdown, Company were not able to spend the amount. Hence transferred the funds to the unspent CSR Account .

Note ii): Current year expenditure includes contribution to Redington trust.

c. Provision for financial assets

The Company has carried out recoverability assessment on the balances receivable from Rajprotim Agencies Private Limited ('RAPAL'), vendor for Rajprotim Supply Chain Solutions Limited ('RCS'), an erstwhile subsidiary of the Company. Based on the such assessment, the management has recorded INR Nil crores (31 March 2022: INR 0.95 crores) as provision for the loans given to RAPAL and interest accrued there on. The gross amount receivable from RAPAL amounts to INR 16.25 crores (31 March 2022: INR 16.25 crores) (refer note 24 and 25). The loan is secured by 89% equity shares and a parcel of land of RAPAL. The management is in the process of taking necessary steps to recover the balances from RAPAL.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

15 Income tax

A. Amount recognised in the profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
Current period	4.71	5.15
Change in estimates to prior periods	-	1.14
Total current tax expense	**4.71**	**6.29**
Deferred tax		
Origination and reversal of temporary difference	(1.93)	0.24
Total deferred tax (benefit) / expense	**(1.93)**	**0.24**
Total	**2.78**	**6.53**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	0.22	(0.06)	0.16	0.55	(0.14)	0.41
Total	**0.22**	**(0.06)**	**0.16**	**0.55**	**(0.14)**	**0.41**

C. Reconciliation of effective tax rate

Particulars		Year ended 31 March 2023		Year ended 31 March 2022
Profit / (loss) before tax		**10.29**		**21.43**
Enacted tax rates in India	25.17%	2.59	25.17%	5.39
Computed expected tax expense				
Changes in estimates related to prior years	0.56%	0.06	0.42%	0.09
Effect of non-deductible expenses	-0.51%	(0.05)	-0.78%	(0.17)
Others	1.75%	0.18	5.67%	1.22
Income tax expense	**26.97%**	**2.78**	**30.48%**	**6.53**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

15 Income tax (continued)

D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Net Deferred tax assets (liabilities)	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Property, plant and equipment	4.57	5.34	-	-	4.57	5.34
Intangible assets	-	-	2.09	2.86	(2.09)	(2.86)
Provision - employee benefits	1.77	1.74	-	-	1.77	1.74
Finance lease receivable	-	-	0.74	0.97	(0.74)	(0.97)
Right-of-use assets/Lease liabilities	0.64	0.01	-	0.04	0.64	(0.03)
Finance lease payable	0.17	0.78	-	-	0.17	0.78
Provision - others	5.67	4.11	-	-	5.67	4.12
Net deferred tax (assets) liabilities	**12.82**	**11.98**	**2.83**	**3.87**	**9.99**	**8.12**

Movement in temporary differences:

Particulars	Balance as at 1 April 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at 31 March 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at 31 March 2023
Property, plant and equipment	2.68	2.66	-	5.34	(0.77)	-	4.57
Intangible assets	0.03	(2.89)	-	(2.86)	0.77	-	(2.09)
Provision - employee benefits	2.40	(0.52)	(0.14)	1.74	0.09	(0.06)	1.77
Finance lease receivable	(1.17)	0.19	-	(0.97)	0.23	-	(0.73)
Right-of-use assets/Lease liabilities	0.08	(0.10)	-	(0.03)	0.67	-	0.63
Finance lease payable	1.50	(0.72)	-	0.78	(0.61)	-	0.17
Provision - others	2.98	1.12	-	4.12	1.56	-	5.67
Total	**8.50**	**(0.25)**	**(0.14)**	**8.12**	**1.93**	**(0.06)**	**9.99**

E Income Taxes

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income Tax assets	8.13	6.76
Current Tax liabilities (net)	-	-
Total	**8.13**	**6.76**

Movement in income tax assets(net)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	6.76	16.50
Add: Taxes paid / (refunds) (net)	6.08	(3.45)
Less: Provisions during the year	(4.71)	(6.29)
Balance at the end of the year	**8.13**	**6.76**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

16A Property, plant and equipment

Reconciliation of carrying amount

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Lease hold improvements	Total
Deemed cost / Cost (Gross carrying amount)							
Balance as at 1 April 2021	**8.83**	**4.76**	**8.50**	**9.18**	**2.81**	**0.40**	**34.48**
Additions	1.03	0.38	0.31	2.23	0.87	0.12	4.94
Disposals	(0.78)	(0.21)	(0.65)	(0.34)	(0.93)	(0.02)	(2.93)
Balance as at 31 March 2022	**9.08**	**4.93**	**8.16**	**11.07**	**2.75**	**0.50**	**36.49**
Additions	1.24	0.13	0.21	2.94	0.18	0.48	5.18
Disposals	(0.09)	(0.34)	(0.65)	(0.16)	(0.68)	-	(1.92)
Balance as at 31 March 2023	**10.23**	**4.72**	**7.72**	**13.85**	**2.25**	**0.98**	**39.75**
Accumulated depreciation							
Balance as at 1 April 2021	**6.22**	**3.70**	**5.80**	**7.31**	**1.54**	**0.29**	**24.86**
Charge for the year	1.64	0.59	0.67	1.43	0.50	0.07	4.90
Disposals	(0.68)	(0.17)	(0.60)	(0.32)	(0.93)	(0.02)	(2.72)
Balance as at 31 March 2022	**7.18**	**4.12**	**5.87**	**8.42**	**1.11**	**0.34**	**27.04**
Charge for the year	0.88	0.29	0.34	1.70	0.40	0.26	3.89
Disposals	(0.06)	(0.33)	(0.64)	(0.15)	(0.29)	-	(1.49)
Balance as at 31 March 2023	**8.00**	**4.08**	**5.57**	**9.97**	**1.22**	**0.60**	**29.44**
Carrying amount (net)							
As at 31 March 2022	1.90	0.81	2.29	2.65	1.64	0.16	9.44
As at 31 March 2023	**2.23**	**0.64**	**2.15**	**3.88**	**1.03**	**0.38**	**10.29**

16B i) Capital work-in-progress (CWIP)

Capital work-in-progress includes IT accessories installation amounting to INR.0.06 crores (31 March 2022: INR.0.04 crores)

ii) Ageing details

As at 31 March 2023

	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	0.06	-	-	-	0.06
Projects temporarily suspended	-	-	-	-	-
Total	**0.06**	**-**	**-**	**-**	**0.06**

The completion of the project is not overdue and has not exceeded its cost compared to its original plan.

As at 31 March 2022

	Amount in CWIP for a period of				
CWIP	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	0.03	0.01	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
Total	**0.03**	**0.01**	**-**	**-**	**0.04**

The completion of the project is not overdue and has not exceeded its cost compared to its original plan.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

17 Intangible assets

A Particulars	Customer contracts	Customer relationship	Software	Total	Goodwill
Deemed cost / Cost (Gross carrying amount)					
Balance as at 1 April 2021	**5.00**	**15.01**	**6.22**	**26.23**	**19.34**
Additions		-	0.04	0.04	-
Disposals		-	-	-	-
Balance as at 31 March 2022	**5.00**	**15.01**	**6.26**	**26.27**	**19.34**
Additions		-	-	-	-
Disposals		-	-	-	-
Balance as at 31 March 2023	**5.00**	**15.01**	**6.26**	**26.27**	**19.34**
Accumulated amortisation					
Balance as at 1 April 2021	**4.79**	**3.89**	**2.88**	**11.56**	**3.60**
Charge for the year	0.21	1.88	1.24	3.33	-
Disposals	-	-	-	-	-
Balance as at 31 March 2022	**5.00**	**5.77**	**4.12**	**14.89**	**3.60**
Charge for the year	-	1.88	1.17	3.05	-
Disposals	-	-	-	-	-
Balance as at 31 March 2023	**5.00**	**7.65**	**5.29**	**17.94**	**3.60**
Carrying amount (net)					
As at 31 March 2022	-	9.24	2.14	11.38	15.74
As at 31 March 2023	**-**	**7.36**	**0.97**	**8.33**	**15.74**

B. Impairment

See accounting policy in Note 3.7

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to one of the Company's component which represent the lowest level within the Company at which goodwill is monitored for internal management purposes, which is not higher than the Company's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Auroma Logistics Private Limited (CGU of the Company)	15.74	15.74
Total	**15.74**	**15.74**

Auroma Logistics Private Limited (CGU of the Company)

The recoverable amount of this cash-generating units ("CGU") is based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. Five years of cash flows have been included in the discounted cash flow model. The carrying amount of the unit has been determined to be lower than its recoverable amount and Nil (31 March 2022: INR Nil crores) of impairment loss has been recognised.

The key assumptions used in the estimation of the recoverable amount are set below. The values assigned to the key assumptions represent management's assessment of future trends in relevant industries and have been based on historical data from both external and internal sources.

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue growth rate range over the forecast period	10% to 11%	10% to 11%
Terminal growth rate	3.0%	2.0%
EBITDA as a % of Revenue -range over the forecast period	6.52% to 7.19%	6.50% to 8.80%
Risk-adjusted discount rates	17.71%	14.35%

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

17 Intangible assets (continued)

B. Impairment (continued)

The Company has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a five year cash flow forecast. The growth rates used in the VIU calculation reflect those inherent within Auroma's business plan, which in primarily a function of the Auroma future assumptions, past performance and management's expectation of future market development through to FY 2027-28. The future cash flows consider potential risks given the current economic environment and key assumptions, such as revenue growth rate and EBITDA.

The cash flow for the FY 2027-28 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the country and industry in which the CGU operate.

The impairment losses recorded in earlier years in the standalone financial statements of the Company had been adjusted against the goodwill as mentioned above.

Sensitivity to key assumptions

Significant unobservable inputs used in valuation	Sensitivity to changes in assumption and inter relationship between key unobservable inputs and fair value measurement
Risk-adjusted discount rates	Estimated fair value would decrease / (increase) if expected discount rate were higher / (lower)
Terminal value growth rate	Estimated fair value would increase / (decrease) if expected terminal value growth rate were higher / (lower)
Budgeted EBITDA growth rate	Estimated fair value would increase / (decrease) if expected budgeted EBITDA growth rate were higher / (lower)

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to aggregate impairment loss to be recognized as at 31 March 2023 and 31 March 2022 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	As at 31 March 2023	As at 31 March 2022
Decrease in EBITDA by 1% over the forecast period	-	-
Decrease in terminal rate by 1%	-	-
Increase in discount rate by 1%	-	-

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

18 Leases

Leases as lessee (Ind AS 116)

The leased assets of the Company includes warehouse buildings, plant and machinery, furniture and fixtures and computers taken on lease for providing warehousing and other 3PL services to the customers. The leases typically run for a period of 1 to 5 years, with an option to renew certain leases after that date. The summary of the movement of right-of-use assets for the year is given below:

Information about leases for which the Company is a lease is presented below

i. Right-of-use assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April	54.47	23.08
Additions to right-of-use assets	39.00	79.73
Less: Depreciation charge for the year	(21.97)	(18.95)
Less: Lease modifications	-	
Less: Transfers	-	
Less: Terminated contracts	(10.91)	(29.39)
Balance as at 31 March	**60.59**	**54.47**

On transition to Ind AS 116, the Company recognized lease liabilities measured at the present value of remaining lease payments. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities under Ind AS 116		
Current	22.44	17.27
Non- current	39.40	40.12
Total lease liabilities as at 31 March	**61.84**	**57.39**

Amounts recognised in Statement of Profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities (refer note 12)	5.08	2.83
Depreciation of right-of-use assets (refer note 13)	21.97	18.95
Expenses relating to short-term leases (refer note 10)	58.89	47.87
Total	**85.94**	**69.65**

Amounts recognised in Cashflow statement

	Year ended 31 March 2023	Year ended 31 March 2022
Total cash outflow for leases liabilities under Ind AS 116	(26.95)	(24.28)

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

19 Non-current investments
Investment in overseas subsidiaries

Particulars	As at 31 March 2023	As at 31 March 2022
Unquoted equity shares in subsidiaries at cost		
*300000 equity shares (31 March 2022: NIL) of AED 1 each fully paid up in ProConnect Holding LLC	0.69	-
Total	**0.69**	**-**

Name of the subsidiary	Principal place of business	Proportion of Ownership interest As at 31 March 2023	As at 31 March 2022
ProConnect Holding LLC	Dubai	100%	-

* Equity shares mentioned above is pending for allotment.

20 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Spares*	-	-
Total	**-**	**-**

* Inventory of spares as at 31 March 2023 of INR 40,233 (31 March 2022: INR 46,174) has been rounded off in crores to Nil.

21 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	86.69	81.51
Doubtful	2.62	3.55
Less : Loss allowance	(2.62)	(3.55)
Total	**86.69**	**81.51**
Current	86.69	81.51
Total	**86.69**	**81.51**

Of the above, trade receivables from related parties are as below:

	As at 31 March 2023	As at 31 March 2022
Total trade receivables from related parties (refer note 38)	15.49	14.50
Less: Loss allowance	-	-
Net trade receivables	**15.49**	**14.50**

A Ageing of Trade receivables and Unbilled revenue

The ageing has been derived from the due date of the transaction, where there is no due date for payment, date of transaction has been considered.

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables						
i) Undisputed – Considered good	85.90	2.80	0.22	0.39	-	89.31
ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed – credit impaired	-	-	-	-	-	-
iv) Disputed – Considered good	-	-	-	-	-	-
v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed – Considered doubtful/ Credit impaired	-	-	-	-	-	-
Sub-Total	**85.90**	**2.80**	**0.22**	**0.39**	**-**	**89.31**
Less: Loss Allowance						**(2.62)**
Total Trade receivables						**86.69**
Unbilled revenue	23.30	-	-	-	-	**23.30**
Less: Loss Allowance						**(0.62)**
Total Unbilled revenue (Refer note 25)						22.68

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables						
i) Undisputed – Considered good	81.75	2.28	1.03	-	-	85.06
ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed – credit impaired	-	-	-	-	-	-
iv) Disputed – Considered good	-	-	-	-	-	-
v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed – Considered doubtful/ Credit impaired	-	-	-	-	-	-
Sub-Total	**81.75**	**2.28**	**1.03**	**-**	**-**	**85.06**
Less: Loss Allowance						**(3.55)**
Total Trade receivables						**81.51**
Unbilled revenue	22.09	-	-	-	-	**22.09**
Less: Loss Allowance						**(0.30)**
Total Unbilled revenue (Refer note 25)						21.79

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

B Expected Credit Loss Allowances

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**3.55**	**7.99**
Allowance recognized during the year (net)*	0.70	(4.41)
Less: Written-off during the year	(1.63)	(0.03)
Currency translation adjustments	-	-
Balance at the end of the year	**2.62**	**3.55**

22 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash in hand	0.01	0.10
Balance with banks:		
- in current accounts	4.05	13.61
- on deposit accounts (Refer note 23.1)	60.28	-
Cash and cash equivalents in balance sheet	**64.34**	**13.71**
Cash and cash equivalents in the statements of cash flows	**64.34**	**13.71**

23 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months (Refer note 23.1)	7.62	22.05
	7.62	**22.05**

23.1 Bank Deposits includes INR 0.74 crores (31 March 2022: INR 0.70 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI and South Indian Bank and INR 7 Crs represents fixed deposits under lien.

24 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Secured, considered doubtful		
Loan to body corporates*	12.00	12.00
Less: Loss allowance	(12.00)	(12.00)
Total	-	-

*The Company has given INR 12 crore as loan to Rajprotim Agencies Private Limited ('RAPAL'). Out of INR 12 crores, INR 10 crores is secured by a pledge of 89% equity shares of RAPAL and INR 2 crores is secured by a parcel of land.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

25 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Long term finance lease receivable (refer note (a) below)	1.82	2.91
Security deposit		
Unsecured, considered good	18.90	13.64
Total	**20.72**	**16.55**
Current		
Current maturities of finance lease receivable (refer note (a) below)	1.09	0.93
Interest accrued	4.28	4.29
Less: Provision for interest receivable	(4.25)	(4.25)
Unbilled revenue	23.30	22.09
Less: Provision for Unbilled Revenue	(0.62)	(0.30)
Security deposit		
Unsecured, considered good	8.20	7.87
Doubtful	0.30	0.30
Less : Loss allowance	(0.30)	(0.30)
Derivate Financial Asset	0.03	-
Others	7.18	4.56
Total	**39.21**	**35.19**

a) **Finance lease receivable**

The Company's leasing arrangement represents the certain pallets and other assets given to customers which have been classified under Ind AS 17 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Company records disposal of the property concerned and recognizes the finance income as revenue from operations.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Gross investment	3.50	4.96
Unearned finance income	(0.59)	(1.12)
Net investment	**2.91**	**3.84**

Finance leases are receivable as follows:

Gross investment	As at 31 March 2023	As at 31 March 2022
Within less than one year	1.46	1.46
Between One and five years	2.04	3.50
After more than five years	-	-
	3.50	**4.96**

Present value of minimum lease payments	As at 31 March 2023	As at 31 March 2022
Within less than one year	1.09	0.93
Between One and five years	1.82	2.91
After more than five years	-	-
	2.91	**3.84**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

26 Other assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good	-	-
Capital advances	59.06	-
Prepayments	1.29	1.25
Receivable from government authorities	3.00	1.24
	63.35	**2.49**
Current		
Unsecured, considered good		
Prepayments	2.25	2.78
Balances with statutory authorities	-	3.15
Others	1.16	0.65
	3.41	6.58
Unsecured, considered doubtful		
Others	0.12	0.58
Less: Provision for trade advances	(0.12)	(0.58)
	-	-
	3.41	**6.58**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

27A Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
3,00,10,000 (31 March 2022: 1,50,10,000) equity shares of Rs. 10 each	30.01	15.01
Issued, Subscribed and Paid-up		
1,36,23,094 (31 March 2022: 1,07,35,008) equity shares of Rs. 10 each fully paid up	13.62	10.73

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	1,07,35,008	10.73	90,81,465	9.08
Shares issued for cash	28,88,086	2.89	16,53,543	1.65
At the end of the year	**1,36,23,094**	**13.62**	**1,07,35,008**	**10.73**

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares of par value of Rs.10/- per share. Accordingly, all equity shares rank equally with regard to dividends, voting rights or otherwise. The equity shareholders are entitled to receive dividend as may be declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates and particulars of shareholder holding more than 5% shares of a class of shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10/- each paid up held by Redington Limited and its nominees	1,36,23,094	13.62	1,07,35,008	10.73

As at 31 March 2023

Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Redington Limited	1,36,23,094	100%	0%

27A.1 Pursuant to the board meeting dated March 10, 2023, the Company has allotted 28,88,086 equity share of face value Rs. 10 at a premium of Rs. 267.16/.

As at 31 March 2022

Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Redington Limited	1,07,35,008	100%	0%

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

27B Other equity

a. Capital reserve

Particulars	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	5.41	5.41
Stock Compensation Cost (Refer Note 40)	-	-
At the end of the year	**5.41**	**5.41**

Capital reserve represents accumulated stock compensation cost in respect of Stock Appreciation Rights granted to the employees and directors of the Company by the holding company.

b. Securities premium

Particulars	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	54.82	35.47
Share issued for cash (refer 27A.1)	77.10	19.35
At the end of the year	**131.92**	**54.82**

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

c. *Retained earnings*

Particulars	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	37.87	22.97
Profit for the period	7.51	14.90
At the end of the year	**45.38**	**37.87**

d *Analysis of accumulated OCI, net of tax*

A. Other items of OCI

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurements of defined benefit liability (asset)	(0.91)	(1.07)
	(0.91)	**(1.07)**

Remeasurements of defined benefit liability (asset)

	As at 31 March 2023	As at 31 March 2022
Opening balance	(1.07)	(1.48)
Remeasurements of defined benefit liability (asset)	0.16	0.41
Closing balance	**(0.91)**	**(1.07)**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial (losses) / gains.

27C Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to shareholder through the optimisation of debt and equity balances by maintaining an appropriate level of parity between them. The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. Adjusted equity comprises all components of equity. Adjusted net debt comprises short term as well as long term borrowings including finance leases, less cash and cash equivalents. The Company's policy is to keep this ratio below 1.00. The Company's adjusted net debt to equity ratio at the end of the year is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings - short term and long term	-	7.97
Less: Cash and cash equivalents and other bank balances	(71.96)	(35.76)
Net Debt (A)	**(71.96)**	**(27.79)**
Total Equity (B)	195.42	107.76
Adjusted net debt to adjusted equity ratio	**(0.37)**	**(0.26)**

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

28 Earnings per share

a. Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

(i) Profit attributable to equity shareholders (basic and diluted)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Profit for the year, attributable to the equity holders (Rs in Crores)	7.51	14.90
Weighted average number of equity shares (basic)	1,08,22,046	97,65,533
Earnings per share- Basic (in Indian Rupees)	6.94	15.26
Weighted average number of equity shares (diluted)	1,08,22,046	97,65,533
Earnings per share- Diluted (in Indian Rupees)	6.94	15.26
Face value per share in Rs	10/-	10/-

(ii) Weighted average number of equity shares (basic and diluted)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Opening balance	1,07,35,008	90,81,465
Effect of fresh issue of shares for cash	87,038	6,84,068
Weighted average number of equity outstanding during the year	**1,08,22,046**	**97,65,533**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

29 Borrowings (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Current borrowings		
Current portion of long term borrowing		
Terms loans from banks (secured)	-	7.97
Total	**-**	**7.97**

Information about the Company's exposure to interest rate and liquidity risk is provided in Note 34

Quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2023	Carrying amount as at 31 March 2022
Term loans	USD	6.90%	2022-23	-	3.17
Term loans	INR	8.7% - 11.13%	2022-23	-	4.80
Total				**-**	**7.97**

Summary of borrowing arrangements

Term loan from HDFC is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan. Term loan from IDFC bank is secured by first pari passu charge over book debts both present and future. exclusive charge on the security deposits of the company both present and future.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the 1 April 2021					
- Borrowings	**13.32**	**35.00**	**21.99**	**-**	**70.31**
- Other financial liabilities	**-**	**-**	**-**	**29.36**	**29.36**
Changes from financing cash flows					
Loans repaid during the year	-	(35.00)	(14.02)		**(49.02)**
Interest expense	2.27	0.59	-	2.83	**5.69**
Interest paid	(2.27)	(0.59)	-	-	**(2.86)**
Total changes from financing cash flows	**-**	**(35.00)**	**(14.02)**	**2.83**	**(46.19)**
Other changes					
Liability-related					
Change in bank overdraft	(8.33)	-	-	-	**(8.33)**
Change in cash credits	(4.99)	-	-	-	**(4.99)**
On account of termination	-	-	-	(53.12)	**(53.12)**
New finance leases	-	-	-	78.32	**78.32**
Total liability-related other changes	**(13.32)**	**-**	**-**	**25.20**	**11.88**
Balance at the 31 March 2022					
-Borrowings	**-**	**-**	**7.97**	**-**	**7.97**
-Lease liabilities	**-**	**-**	**-**	**57.39**	**57.39**
Balance at the 1 April 2022					
- Borrowings	**-**	**-**	**7.97**	**-**	**7.97**
-Lease liabilities	**-**	**-**	**-**	**57.39**	**57.39**
Changes from financing cash flows					
Loans repaid during the year	-	-	(7.97)		**(7.97)**
Interest expense	-	-	-	5.09	**5.09**
Total changes from financing cash flows	**-**	**-**	**(7.97)**	**5.09**	**(2.88)**
Other changes					
Liability-related					
On account of termination	-	-	-	(38.69)	**(38.69)**
New finance leases				38.05	**38.05**
Total liability-related other changes	**-**	**-**	**-**	**(0.64)**	**(0.64)**
Balance at the 31 March 2023					
-Lease liability	**-**	**-**	**-**	**61.84**	**61.84**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

30 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables to related parties	1.27	0.59
Other trade payables	84.04	70.04
Total	**85.31**	**70.63**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 34. Also, refer note 39 on Micro, Small and Medium Enterprises.

Ageing of trade payables

The ageing has been derived from the due date of the transaction, where there is no due date for payment, date of transaction has been considered.

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2-3 years	More than 3 years	Total
Undisputed dues					
(i) MSME	3.70	-	-	-	**3.70**
(ii) Others	32.80	0.66	0.88	0.61	**34.95**
Disputed dues					
(iii) MSME	-	-	-	-	-
(iv) Others	-	-	-	-	-
Unbilled dues (Provisions)	46.66	-	-	-	**46.66**
	83.16	**0.66**	**0.88**	**0.61**	**85.31**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2-3 years	More than 3 years	Total
Undisputed dues					
(i) MSME	0.70	-	-	-	**0.70**
(ii) Others	30.48	1.94	0.77	-	**33.19**
Disputed dues					
(iii) MSME	-	-	-	-	-
(iv) Others	-	-	-	-	-
Unbilled dues (Provisions)	36.74	-	-	-	**36.74**
	67.92	**1.94**	**0.77**	-	**70.63**

31 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit from customers	5.94	7.26
Other payables	14.85	13.62
Total	**20.79**	**20.88**
Non current	5.94	7.26
Current	14.85	13.62
Total	**20.79**	**20.88**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 34.

32 Other liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to employees	5.25	4.63
Statutory dues	10.85	3.22
Others	1.44	-
Total	**17.54**	**7.85**
Non current	0.52	-
Current	17.02	7.85
Total	**17.54**	**7.85**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

33 Provisions

Particulars	Non current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
Gratuity	4.40	4.40	0.49	0.55
Compensation absence	1.92	1.76	0.24	0.23
Total-A	**6.32**	**6.16**	**0.73**	**0.78**
Provision Others	-	-	11.21	4.61
Total-B	-	-	**11.21**	**4.61**
Provision Total-A+B	**6.32**	**6.16**	**11.94**	**5.39**

For details about the related employee benefit expenses, see Note 11

The Company operates the following post-employment defined benefit plans:
The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

A. Funding

The gratuity plan of the Company is an unfunded plan.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	4.95	5.43
Current service cost	0.72	0.65
Past Service Cost	0.42	-
Interest cost	0.57	0.39
Benefits paid	(1.55)	(0.97)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(0.84)	(0.55)
- experience adjustments	0.62	-
Balance at the end of the year	**4.89**	**4.95**

C. Expense/ (income) recognised in the statement of profit or loss

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Current service cost	0.72	0.65
Interest cost	0.57	0.39
Total	**1.29**	**1.04**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

33 Provisions (continued)

D. Remeasurements recognised in other comprehensive income

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Actuarial loss on defined benefit obligations	(0.22)	(0.55)
Total	**(0.22)**	**(0.55)**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	6.75%
Future salary growth	10.00%	10.00%
Attrition rate	12.50%	12.50%

ii. 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	As at 31 March 2023		As at 31 March 2022	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.29)	0.32	(0.32)	0.30
Future salary growth (1% movement)	0.31	0.28	0.29	(0.30)
Attrition rate (1% movement)	(0.05)	0.06	(0.08)	0.05

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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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

As at 31 March 2023	Note	Carrying amount			Fair Value			
		FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward Contracts		0.03	-	0.03	-	0.03	-	0.03
Financial assets not measured at fair value								
Trade receivables	21	-	86.69	86.69	-	-	-	-
Cash and cash equivalents	22	-	64.34	64.34	-	-	-	-
Other bank balances	23	-	7.62	7.62	-	-	-	-
Investment in Subsidiaries	19	-	0.69	0.69	-	-	-	-
Other financial assets	25	-	59.93	59.93	-	-	-	-
Total financial assets		**0.03**	**219.27**	**219.30**	**-**	**0.03**	**-**	**0.03**
Financial liabilities not measured at fair value								
Trade payables	30	-	85.31	85.31	-	-	-	-
Lease liabilities	18	-	61.84	61.84				-
Borrowings	29	-	-	-	-	-	-	-
Other financial liabilities	31	-	20.79	20.79	-	-	-	-
Total financial liabilities		**-**	**167.94**	**167.94**	**-**	**-**	**-**	**-**

As at 31 March 2022	Note	Carrying amount			Fair Value			
		FVTPL	Amortised	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward Contracts		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade receivables	21	-	81.51	81.51	-	-	-	-
Cash and cash equivalents	22	-	13.71	13.71	-	-	-	-
Other bank balances	23	-	22.05	22.05	-	-	-	-
Investment in Subsidiaries	19	-	-	-	-	-	-	-
Other financial assets	25	-	51.74	51.74	-	-	-	-
Total financial assets		**-**	**169.01**	**169.01**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Trade payables	30	-	70.63	70.63	-	-	-	-
Lease liabilities	18	-	57.39	57.39			-	
Borrowings	29	-	7.97	7.97	-	-	-	-
Other financial liabilities	31	-	20.88	20.88	-	-	-	-
Total financial liabilities		**-**	**156.87**	**156.87**	**-**	**-**	**-**	**-**

Note: The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, loans, trade payables, borrowings because their carrying amounts are reasonable approximations of their fair values.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(a) Financial assets and liabilities measured at amortised cost

The financial instruments that have been measured at amortised costs are fair valued using Level 2 hierarchy. The Company has not disclosed the fair values for certain financial instruments measured at amortised costs as such as trade receivables and payables and other items (refer note 34A), because their carrying amounts are a reasonable approximation of fair value.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. 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 board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

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.

ii. Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. and arises principally from the Company's receivables from customers; loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

	Carrying amount	
Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Trade receivables	86.69	81.51
Cash and bank balances	64.34	13.71
Other bank balances	7.62	22.05
Deposits and other receivables	-	-
Other financial assets	59.93	51.74
Investment in subdiaries	0.69	-
Total	**219.27**	**169.01**

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

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

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(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

ii. Credit risk (continued)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

Receivables from customers that individually constituted more than 10% of the Company's receivables are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Customer A	17.66	20.66
Customer B	15.46	15.65
Customer C	16.32	2.83
Total	**49.44**	**39.14**

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2023

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Past due 1-90 days	85.90	0.30%	(0.26)	No
Past due 90-180 days	2.80	7.99%	(0.22)	No
Past due 181-270 days	0.22	507.19%	(1.14)	No
Past due 271-365 days	0.39	25.58%	(0.10)	No
Past due for more than 365 days	-	0.00%	(0.90)	No
Total	**89.31**		**(2.62)**	

As at 31 March 2022

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Past due 1-90 days	77.60	0.59%	(0.46)	No
Past due 90-180 days	3.17	7.58%	(0.24)	No
Past due 181-270 days	1.69	31.43%	(0.53)	No
Past due 271-365 days	0.58	53.02%	(0.31)	No
Past due for more than 365 days	2.02	99.64%	(2.01)	No
Total	**85.06**		**(3.55)**	

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Balances at 1 April	3.55	7.99
Add: Provision for the year / (reversal)	(0.90)	(4.41)
Less: Provision reversed against bad debts written off	(0.03)	(0.03)
Balance at 31 March	**2.62**	**3.55**

Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivables

The Company holds cash and bank balances of INR 72.64 crores at 31 March 2023 (31 March 2022: INR 35.76 crores). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

iii. 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. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted. and include contractual interest payments and exclude the impact of netting agreements:

Particulars		Contractual cash flows					
	Carrying amount	Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2023							
Non derivative financial liabilities							
Loans from banks ^^	-	-	-	-	-	-	-
Lease liabilities	61.84	72.17	13.05	12.43	18.66	20.22	7.82
Trade payables	85.31	85.31	85.31	-	-	-	-
Other financial liabilities	20.79	20.79	14.85	-	5.94	-	-
Total	**167.94**	**178.27**	**113.21**	**12.43**	**24.60**	**20.22**	**7.82**

^^ excluding contractual interest payments

Particulars		Contractual cash flows					
	Carrying amount	Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2022							
Non derivative financial liabilities							
Loan from banks ^^	7.97	7.97	2.17	1.00	1.20	3.60	-
Lease liabilities	57.39	71.12	10.32	11.01	14.94	21.69	13.17
Trade payables	70.63	70.63	70.63	-	-	-	-
Other financial liabilities	20.88	20.88	13.62	-	7.26	-	-
Total	**156.87**	**170.60**	**96.74**	**12.01**	**23.40**	**25.29**	**13.17**

^^ excluding contractual interest payments

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

81

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Financial instruments carried at fair value as at 31 March 2023 is INR 0.03 (31 March 2022: Nil) and financial instruments carried at amortised cost as at 31 March 2023 is INR 219.27 crores (31 March 2022: 169.31 crores)

Financial assets of INR 219.27 crores as at 31 March 2023 carried at amortised cost is in the form of cash and cash equivalents, bank deposits trade receivables, loans given to body corporates, deposits and other receivables and other financial assets where the Company has assessed the counterparty credit risk. Trade receivables of INR 86.69 crores as at 31 March 2023 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. This assessment is not just based on any mathematical model but an assessment considering the nature of business and the financial strength of the customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in the credit terms and following up for collection etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables INR 23.30 crores as at 31 March 2023 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 2.62 crores as at 31 March 2023 which is adjusted against the outstanding balance above is considered adequate.

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

The following table analyses foreign currency risk from financial instruments:

Particulars	As at 31 March 2023		As at 31 March 2022	
	INR	**USD**	**INR**	**USD**
Financial assets:				
Trade receivables				
Foreign currency exposure	7.08	0.09	3.93	0.05
Less: Hedged through forward exchange contracts	2.10	0.03	-	-
Unhedged exposures	4.98	0.06	3.93	0.05
Foreign currency exposure - unhedged				
Other financial assets	-	-	1.95	0.03
Financial liabilities:				
Foreign currency exposure - unhedged				
Borrowings	-	-	(3.17)	(0.04)
Trade payables	(0.51)	(0.01)	-	-
Net assets / (liabilities)	**6.57**	**0.08**	**2.71**	**0.04**

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2023 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	Profit / (loss)		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2023				
USD (1% movement)	-	-	-	-
31 March 2023				
USD (1% movement)	(0.00)	0.00	-	-

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

Interest rate risk

The Company has only one type of variable rate instrument i.e. cash credit facility being used for cash management purposes. Company's exposure to variable rate instruments is insignificant.

Exposure to interest rate risk

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

Fixed-rate instruments

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate instruments		
Financial assets - Other bank balances	7.62	22.05
Financial assets - Finance lease receivable	2.91	3.84
Financial liabilities- Finance lease obligation	(61.84)	(57.39)
Financial liabilities- Term Loan	-	(7.97)
Total	**(51.31)**	**(39.47)**

Variable-rate instruments

Particulars	As at 31 March 2023	As at 31 March 2022
Financial liabilities- Secured loan	-	-
	-	-

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basic points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
Particulars	**100 bp increase**	**100 bp decrease**
31 March 2023		
Variable-rate instrument	-	-
Cash flow sensitivity (net)	-	-
31 March 2022		
Variable-rate instrument	-	-
Cash flow sensitivity (net)	-	-

35 Analytical Ratios

Sr.No	Ratio	Current Period	Previous Period	% Variance	Reason for Variance
(a)	Current Ratio	1.33	1.30	2%	
(b)	Debt-Equity Ratio	-	0.07	-100%	Refer a) below
(c)	Debt Service Coverage Ratio	1.17	0.84	39%	Refer b) below
(d)	Return on Equity Ratio	0.05	0.17	-70%	Refer c) below
(e)	Inventory turnover ratio	NA	NA	0%	
(f)	Trade Receivables turnover ratio	6.26	5.44	15%	
(g)	Trade payables turnover ratio	5.60	5.83	-4%	
(h)	Net capital turnover ratio	10.59	13.55	-22%	
(i)	Net profit ratio	0.01	0.03	-53%	Refer d) below
(j)	Return on Capital employed	0.10	0.35	-71%	Refer e) below
(k)	Return on investment	-	NA	NA	

Since investments was made in March 2023, ratios for previous year was not applicable.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Formulas for above ratios:

Current ratio = Current assets/ current liabilities
Debt equity ratio = (Total Debt - Cash and cash equivalents)/ (Total equity - Investments in subsidiaries)
Debt service coverage ratio = (Profit before tax + Interest expenses) / (Interest expenses + Repayment of long-term loans during the year)
Inventory turnover ratio = Revenue from operations/ Average inventories
Trade receivables turnover ratio = Revenue from operations/ Average trade receivables
Trade payables turnover ratio = Revenue from operations/ Average trade payables
Net capital turnover ratio = Revenue from operations/ (Average inventories + Average trade receivables – Average trade payables)
Net profit % = Net profit/ Revenue from operations
Return on equity % = Profit after tax/ (Average equity – Investments in subsidiaries)
Return on capital employed (Net of cash) % = (Profit before tax + Interest expenses)/ (Average capital employed – cash and cash equivalents) where Capital employed = Equity + Borrowings.
Return on capital employed (Gross) % = (Profit before tax + Interest expenses)/ Average capital employed
Return on investment % = Income generated from Invested funds /Average invested funds

Reasons for Variance:

a) Debt equity ratio	During the year ended 31 March 2023, there are no new borrowings and full repayment of existing borrowings resulting in better debt equity ratio.
b) Debt Service coverage ratio	The change in debt service coverage ratio is on account of no new borrowings and full repayment of existing borrowings during the year.
c) Return on equity	The change in return on equity ratio is mainly due to increased in equity of Rs.80 crores during the current year and dip in profit.
d) Net Profit ratio	Lower profits have resulted in the decrease in Net Profit Ratio.
e) Return on Capital employed	Return on Capital Employed has decreased on account of reduction in capital employed. which is on account of lesser profits .

36 Operating leases

Leases as lessee
The Company has taken on lease a number of offices and warehouse facilities under cancellable operating leases. The leases are for varied periods, which are renewable at the option of the Company.

Amounts recognised in profit or loss

	Year ended 31 March 2023	Year ended 31 March 2022
Lease expense	58.89	47.87

37 Contingent liabilities and capital commitments

	As at March 31 2023	As at March 31 2022
Estimated amount of contracts remaining to be executed on capital account and not provided	37.33	0.47
Contingent liabilities:		
Bank guarantees issued	10.78	11.46
Claims not acknowledged as debt	1.54	-
Disputed Tax Demands		
Direct Taxes	7.39	-

Show cause notices are not considered as contingent liabilities unless converted into demand.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

38 Related parties

A. Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Parties having Significant Influence on the Company	Synnex Mauritius Limited
Holding company	Redington Limited
Fellow Subsidiary	Redserv Business Solutions Private Limited
Subsidiary	ProConnect Holding LLC
Key Management Personnel	Mr. E.H. Kasturi Rangan (Managing Director) (till 31 January 2023)
	Mr. Kumar Malay Shankar, Chief Executive Officer (CEO) (from 01 June 2022)
	Mr. S Vijayaraghavan, Chief Finance Officer (CFO)

Mr Kumar Malay Shankar has been appointed as Managing Director with effect from 1 April 2023.

B. Transaction with key management personnel

i. Loan to Director

During the previous years. the Company as a part of scheme approved, by members at extra ordinary meeting, granted an unsecured housing loan to its managing director amounting to INR 0.40 crores (interest rate is fixed at 9% p.a) which is repaid during the previous year.

Particulars	Purpose	Year ended 31 March 2023	Year ended 31 March 2022
As at the beginning of the financial year		-	0.40
Given during the financial year	Housing loan	-	-
Repaid during the financial year			(0.40)
As at the end of the financial year		-	-
Interest		-	-

ii.

Key management personnel of the Company comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

Particulars	Managing Director	CEO	CFO	Total
For the year ended 31 March 2023				
Short term employee benefits	1.43	0.87	0.58	2.88
Post-employment defined benefits	0.55	*	*	0.55
Compensated absences	0.07	*	*	0.07
Sitting fees	0.01	-	-	0.01
Total	**2.06**	**0.87**	**0.58**	**3.51**

Particulars	Managing Director	CEO	CFO	Total
For the year ended 31 March 2022				
Short term employee benefits	0.95	-	0.10	1.05
Post-employment defined benefits	-	*	*	*
Compensated absences	-	*	*	*
Sitting fees	-	-	-	-
Total	**0.95**	-	**0.10**	**1.05**

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 11).

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

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

38 Related parties (continued)

C. Related party transactions other than those with key management personnel

Particulars	Transaction value		Balance outstanding	
	Year ended 31 March 2023	Year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Sale of goods and services				
Redington Limited	111.75	93.31	15.49	14.50
Synnex Mauritius Limited	-	0.03	-	0.03
Rental Expenses				
Redington Limited	4.65	4.25	1.15	0.57
Service charges				
Redington Limited	0.12	0.81	0.13	-
Redserv Business Solutions Private Limited	-	0.88	-	0.08
Rental Income				
Redserv Global Solutions	0.23	-	0.23	-
Interest Expense				
Redington Limited	-	0.59	-	-
Loans repaid				
Redington Limited	-	20.00	-	-
Reimbursement of expenses paid				
Redington Limited	0.13	-	0.40	-
Capital Advances				
Redington Limited	59.00	-	59.00	-
Investments Made				
ProConnect Holding Ltd	0.69	-	-	-
Capital Contribution from parent				
Redington Limited	80.00	-	-	-
Rental deposits				
Redington Limited	0.53	-	0.53	-

39 Due to micro, small and medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, the Group's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are given below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	3.70	0.70
(b) the amount of interest paid by the buyer 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 each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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(All amounts are in Indian rupees in crores, except share data and as stated)

40 Share based payment transactions

A. Details of Stock appreciation rights

On 30 December 2017, Redington Limited ('the Holding Company') granted 1,104,000 Stock Appreciation Rights (SARs) to the eligible employees and directors of the Company under the Redington Stock Appreciation Right Scheme, 2017 ('SAR Scheme'). The SAR scheme was duly approved by the Board of Directors and the Shareholders of the Holding Company pursuant to which the shares of the Holding Company will be issued to the eligible employees and directors of the Company.

Each SAR entitles the employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation') of the holding company. Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares of the holding company in the NSE / BSE where there is highest trading, on the day prior to the date of exercising of these SARs and multiplying the resultant with the number of SARs exercised.

These SARs vest over a period of 3 years from the date of the grant in the following manner:

10% of the SARs vest after a period of one year from the grant date, 20% of the SARs vest after a period of two years from the grant date and 70% of the SARs vest after a period of three years from the grant date. These SARs are exercisable within a period of three years from the respective date of vesting.

Certain SARs granted to the members of senior management team as identified by the Nomination and Remuneration committee of the Holding Company have an associated performance condition. Of the total SARs granted to senior management team, 35% of the SARs that would vest at the end of 3 years from the date of the grant are subject to these performance condition.

B. Measurement of fair values

The fair value of these SARs were determined based on the grant date fair values using the Black Scholes model. The fair value of the options and inputs as determined by the holding company and used in the measurement of the grant date fair values of the equity settled SARs are as follows:

Particulars	31 March 2023	31 March 2022
Fair value at grant date (weighted-average) (INR)	71.99 per SAR	71.99 per SAR
Share price at grant date (INR)	174.60 per share	174.60 per share
Base price / Exercise price (INR)	148.50 per SAR	148.50 per SAR
Expected volatility (weighted-average)	35.72%	35.72%
Expected life (weighted-average)	4.10 years	4.10 years
Expected dividends	1.20%	1.20%
Risk-free interest rate (weighted-average)	7.02%	7.02%

Expected volatility has been based on an evaluation of the historical volatility of the holding company's share prices. The expected term of the instruments has been determined based on the average of vesting period and the contractual term of the instruments.

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CHENNAI-17
CHARTERED ACCOUNTANTS

Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar
Chennai - 600 017
Tamil Nadu, India

Tel: +91 44 6688 5000
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INDEPENDENT AUDITOR'S REPORT

To The Members of ProConnect Supply Chain Solutions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **ProConnect Supply Chain Solutions Limited** (the "Parent") and its subsidiary (the Parent and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity 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. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiary, to the extent it relates to these entities and, 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. Other information so far as it relates to the subsidiary, is traced from their financial statements.
- 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.

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CHENNAI-17
CHARTERED ACCOUNTANTS

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent'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 consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

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

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

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 or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 0.83 crore as at March 31, 2023, total revenues of Rs. Nil and net cash inflows amounting to Rs. 0.67 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

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

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on April 1, 2023 taken on record by the Board of Directors of the Company, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of the Parent.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

   i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 36 to the consolidated 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 Parent.

   iv) (a)The respective Managements of the Parent and its subsidiary, have represented to us that, to the best of their 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 Parent or its subsidiary, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiary have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or its subsidiary shall, 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.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

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(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent have not declared or paid any dividend during the year and have not proposed final dividend for the year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us, we report that CARO is applicable only to the Parent Company and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Parent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJV1576

Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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 financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **ProConnect Supply Chain Solutions Limited** (hereinafter referred to as "Parent"), as of that date. The Company has one subsidiary, ProConnect Holding LLC, which is incorporated in Dubai and reporting in the adequacy and operating effectiveness of Internal Financial controls with reference to standalone financial statements, is not applicable to the said subsidiary. Hence, this report on Internal Financial controls with reference to the consolidated financial statements relates solely to the Parent.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the Parent 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 (the "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 the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls with reference to consolidated financial statements.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Ananthi

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN:23209252BGXMJV1576

Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Consolidated Balance Sheet as at 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	16A	10.29	9.44
Capital work in progress	16B	0.06	0.04
Right-of-use assets	18	60.59	54.47
Goodwill	17	15.74	15.74
Other intangible assets	17	8.33	11.38
Financial assets			
Other financial assets	24	20.74	16.55
Deferred tax assets (net)	15	9.99	8.12
Income tax assets	15	8.13	6.76
Other non-current assets	25	63.35	2.49
Total non-current assets		**197.22**	**124.99**
Current assets			
Inventories	19	-	-
Financial assets			
Trade receivables	20	86.69	81.51
Cash and cash equivalents	21	65.01	13.71
Other bank balances	22	7.62	22.05
Loans	23	-	-
Other financial assets	24	39.21	35.19
Other current assets	25	3.55	6.58
Total current assets		**202.08**	**159.04**
Total assets		**399.30**	**284.03**
Equity and liabilities			
Equity			
Equity share capital	26A	13.62	10.73
Other equity	26B	181.48	97.03
Total equity		**195.10**	**107.76**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Consolidated Balance Sheet as at 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	As at 31 March 2023	As at 31 March 2022
Liabilities			
Non-current liabilities			
Financial Liabilities			
Lease liabilities	18	39.40	40.12
Other financial liabilities	31	5.94	7.26
Provisions	33	6.34	6.16
Other non-current liabilities	32	0.52	-
Total non-current liabilities		**52.20**	**53.54**
Current liabilities			
Financial liabilities			
Borrowings	29	-	7.97
Lease liabilities	18	22.44	17.27
Trade payables	30		
Total outstanding dues to micro enterprises and small enterprises		3.70	0.70
Total outstanding dues to creditors other than micro enterprises and small enterprises		81.61	69.93
Other financial liabilities	31	15.29	13.62
Other current liabilities	32	17.02	7.85
Provisions	33	11.94	5.39
Total current liabilities		**152.00**	**122.73**
Total liabilities		**204.20**	**176.27**
Total equity and liabilities		**399.30**	**284.03**

Significant accounting policies 3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No : 008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date: 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date: 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

ProConnect Supply Chain Solutions Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	Year Ended 31 March 2023	Year ended 31 March 2022
Revenue			
Revenue from operations	6	526.31	492.11
Other income	7	6.17	10.49
Total income		**532.48**	**502.60**
Expenses			
Purchase of spares	8	0.02	0.05
Changes in inventories of spares	9	-	-
Other operating expenses	10	374.46	345.12
Employee benefits expense	11	50.54	43.66
Finance costs	12	6.10	6.63
Depreciation and amortisation expense	13	28.91	27.18
Other expenses	14	62.46	58.53
Total expenses		**522.49**	**481.17**
Profit before tax		**9.99**	**21.43**
Income tax	15		
Current tax		4.71	6.29
Deferred tax		(1.93)	0.24
Income tax expense		**2.78**	**6.53**
Profit for the year		**7.21**	**14.90**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of the defined benefit liability	33	0.22	0.55
Income tax relating to items that will not be reclassified to profit or loss	15	(0.06)	(0.14)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**0.16**	**0.41**
Items that will be reclassified subsequently to profit or loss			
Foreign exchange differences in translating financial statements of foreign operations		(0.03)	
Income tax relating to items that will be reclassified to profit or loss		0.01	
Other comprehensive income for the year, net of income tax		**0.14**	**0.41**
Total comprehensive income for the year		**7.35**	**15.31**
Earnings per share (Face value Rs 10 per share)			
Basic (in Indian Rupees)	27	6.66	15.26
Diluted (in Indian Rupees)		6.66	15.26
Significant accounting policies	3		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No : 008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date: 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date: 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

ProConnect Supply Chain Solutions Limited
Consolidated Statement of changes in equity for the year ended 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

(a) Equity share capital

Particulars	Note	Amount
Balance as at 1 April 2021	26A	**9.08**
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2021		9.08
Changes in equity share capital during the year		1.65
Balance as at 31 March 2022	26A	**10.73**
Balance as at 1 April 2022	26A	**10.73**
Changes in equity share capital due to prior period errors		-
Restated balance as at 1 April 2022		**10.73**
Changes in equity share capital during the year	26A	2.89
Balance as at 31 March 2023	26A	**13.62**

(b) Other equity

Particulars	Reserves and surplus			Items of other comprehensive income	Total
				Items that will not be reclassified to profit and loss	
	Capital reserve	Securities premium	Retained earnings	Remeasurement of defined benefit obligations	
Balance as at 1 April 2021	5.41	35.47	22.97	(1.48)	62.37
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April , 2021	5.41	35.47	22.97	(1.48)	62.37
Profit for the year	-	-	14.90	-	14.90
Other comprehensive income for the year	-	-	-	0.41	0.41
Transferred to retained earnings	-	-	-	-	-
Securities Premium		19.35	-		19.35
Balance as at 31 March 2022	5.41	54.82	37.87	(1.07)	97.03
Balance as at 1 April 2022	5.41	54.82	37.87	(1.07)	97.03
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1 April , 2022	5.41	54.82	37.87	(1.07)	97.03
Profit for the year	-	-	7.21	-	7.21
Other comprehensive income for the year	-	-	-	0.14	0.14
Transferred to retained earnings	-	-	-	-	-
Securities Premium	-	77.10	-	-	77.10
Balance as at 31 March 2023	5.41	131.92	45.08	(0.93)	181.48

Significant accounting policies 3

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No : 008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
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Chief Financial Officer
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Date: 10 May 2023

ProConnect Supply Chain Solutions Limited

Consolidated Statement of Cash Flow for the year ended 31 March 2023

(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from operating activities			
Profit before taxes		9.99	21.43
Adjustments for:			
Depreciation and amortisation		28.91	27.18
Provision no longer required written back		(0.92)	(4.41)
Provision for financial asset		-	0.95
Bad debts written off		-	4.59
(Gain) on sale of property, plant and equipment		(0.68)	(0.85)
Finance costs		6.10	6.63
Interest income on security deposits at amortised cost		(2.15)	(2.07)
Interest income on cash and cash equivalents and loans		(0.69)	(1.33)
		40.56	**52.12**
Working capital adjustments:			
(Increase) / Decrease in trade receivables		(4.26)	17.81
(Increase) in other current / non-current financial assets		(7.85)	(10.87)
Decrease in other current / non current assets		1.23	14.28
Increase in trade payable and other financial liabilities		15.01	6.22
Increase in provisions and other current liabilities		16.32	0.11
Cash generated from operating activities		**61.01**	**79.67**
Income tax (paid) / refund		(6.07)	3.59
Net cash generated from operating activities (A)		**54.94**	**83.26**
Cash flow from investing activities			
Interest received		0.70	0.86
Proceeds from sale of property, plant and equipment		1.13	1.07
Acquisition of property, plant and equipment including capital advances		(64.26)	(4.61)
(Investments in) / Redemption of bank deposits with original maturity of more than 3 months		14.43	(13.18)
Net cash used in investing activities (B)		**(48.00)**	**(15.86)**

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DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2023
(All amounts are in Indian Rupees in crores, except share data and as stated)

Particulars	Note	Year ended 31 March 2023	Year ended 31 March 2022
Cash flow from financing activities			
Repayment of long term borrowings		(7.97)	(14.02)
Repayment of borrowings from related parties		-	(20.00)
Net proceeds from short term borrowings		-	(15.00)
Proceeds from Issue of Share capital		80.00	21.00
Payment of finance lease obligations		(26.95)	(24.28)
Interest paid		(0.72)	(3.43)
Net cash used in financing activities (C)		**44.36**	**(55.73)**
Net increase in cash and cash equivalents (A+B+C)		**51.30**	**11.67**
Cash and cash equivalents as at 1 April		13.71	2.04
Cash and cash equivalents as at 31 March	21	**65.01**	**13.71**
Significant accounting policies	3		

The notes referred to above form an integral part of consolidated financial statements

As per our report of even date attached

for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No : 008072S

Ananthi Amarnath
Partner
Membership No: 209252
Place: Chennai
Date: 10 May 2023

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
ProConnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

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Chief Financial Officer
Place: Chennai
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ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees, except share data and as stated)

1 Background

ProConnect Supply Chain Solutions Limited ("ProConnect"/"the Group") incorporated on 31 August 2012 is a wholly owned subsidiary of Redington Limited ("Formerly known as Redington (India) Limited)". These consolidated financial statements comprise the Group and its subsidiary namely ProConnect Holdings Limited (collectively referred to as the "Group"). The Group is engaged in the business of comprehensive Supply Chain Management ("SCM"), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

2 Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These consolidated financial statements were authorised for issue by the Group's Board of Directors on 10 May 2023.
Details of the Group's accounting policies are included in Note 3.

2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

2.3 Basis of measurement

The consolidated financial statements have been prepared on accrual basis under the historical cost convention except for the following items:

Items	Measurement basis
- Certain financial assets and liabilities	Fair value
- Defined benefit liability	Present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring fair value, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle.

2.4 Current and Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the requirement under Schedule III to be classified as current or non-current.An asset is classified as current when it is:
1.Expected to be realised or intended to be sold or consumed in normal operating cycle;
2.Held primarily for the purpose of trading;
3.Expected to be realised within twelve months after the reporting period;
4.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:
1.It is expected to be settled in normal operating cycle;
2.It is held primarily for the purpose of trading;
3.It is due to be settled within twelve months after the reporting period . There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

2.5 Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions considered in the reported amount of assets, liabilities (including contingent assets and contingent liabilities), the reported income and the expenses during the year. The management believes that these estimates, judgements and assumptions used in the preparation of the standalone financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise. Estimates, judgements, and underlying assumptions are reviewed on an ongoing basis. Key sources of judgement and estimation uncertainties at the date of the standalone financial statements, which may cause a material adjustment to income and expenditure or the carrying amounts of assets and liabilities, are in respect of revenue recognition, provision for tax and contingent liability, stock appreciation rights, Service Level Agreement (SLA) Provision, Lease accounting under IND AS 116, allowance for doubtful trade receivables and impairment of financial assets and goodwill.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:
- Note 6 – revenue : whether the Group acts as an agent rather than as a principal in a transaction; and
- Note 18 – lease accounting under Ind AS 116
- Note 33 – SLA provision (Provision others)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2023 is included in the following notes:
- Note 33 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 – impairment of financial assets.
- Note 17 – Goodwill.
- Note 15 – Provsison for taxation and Contingent Liabilities. (Income Tax assets)
- Note 39 – Stock Appreciation rights.

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CHENNAI-17
CHARTERED ACCOUNTANTS

2.6 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 34 – financial instruments
- Note 39 – stock appreciation rights

3 Significant accounting policies

3.1 i. Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015

The Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase: otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Business combinations (other than common control business combinations) before 1 April 2015

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group:
a) has power over the investee
b) is exposed, or has rights, to variable returns from its involvement with the investee; and
c) has the ability to use its power to affect its return.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

iv. Transactions eliminated on consolidation

Intra-Group balances and transactions, and any unrealised income and expenses arising from intra-Group transactions, are eliminated.

v. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

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CHENNAI-17
CHARTERED ACCOUNTANTS

3.2 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group, at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.3 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised as gain or loss in the statement of profit and loss.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.3 Financial instruments (continued)

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The difference between the carrying amount of the financial liability de-recognised and the sum of consideration paid and payable is recognised as gain or loss in the statement of profit and loss.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The Group does not hold derivative financial instruments for speculative purposes. Forward contracts are recognised initially at fair value on the date the contract is entered into and are subsequently remeasured at fair value. The resulting gain or loss is recognised in the statement of profit and loss.

3.4 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment except capital work-in-progress are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress is stated at cost less any recognised impairment loss.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

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

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

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other costs including repairs and maintenance costs are charged to the statement of profit and loss as and when incurred.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II
Plant and Machinery	5 years	15 years
Computer and accessories	3 years	3 years
Furniture and fixtures	4 years	10 years
Office equipment's	5 years	5 years
Vehicles	5 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate. Property, plant and equipment is depreciated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Group, whichever is lower and is recognised in statement of profit and loss.

Individual assets whose cost does not exceed INR 5,000/- are fully depreciated in the month of addition.

Depreciation on additions (disposals) is provided from (up to) the month in which asset is ready for use (disposed of).

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.5 Intangible assets

i. Recognition and measurement
Intangible assets including those acquired by the Group are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

iii. Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in the Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Software	3 - 5 years
Customer contracts	5 years
Customer relationships	8 years

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

Goodwill
Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the synergies of the combination. A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the CGU.

3.6 Inventories
Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average method and cost of inventories comprise all cost of purchase and other cost incurred in bringing the inventories to the present location and condition, net of discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.7 Impairment
i. Impairment of financial instruments
The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.7 Impairment (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward - looking information.

The Group assumes that the credit risk on financial assets has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)
- the financial asset is 365 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment annually. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

The Group's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.8 Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

iii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

iv. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Group's gratuity plan is unfunded. Defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method at each balance sheet date. The defined benefit obligation is determined as the present value of the estimated future cash flows expected to be made by the Group in respect of services rendered by its employees up to the reporting date.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability. Interest expense and other expenses related to defined benefit plans are recognised in profit or loss under finance costs and employee benefit expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

The Group's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

3.9 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.10 Revenue recognition

The Group earns revenue primarily from the business of comprehensive Supply Chain Management ('SCM'), providing total logistic solutions services including warehousing management and allied services for various corporate customers.

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

- Revenue from warehousing management services where the Group leases out warehouse space along with warehousing equipment's is measured based on the mutually agreed monthly rent with customers. Revenue for warehousing management services are recorded at gross or net basis depending on whether the Group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

- Revenue from third party logistics services is recognised based on the consignment notes issued by the Group. Revenue is measured based on the mutually agreed rate as per the contract with the customer.
- Revenue from allied services is recognised on output basis, measured by number of orders processed.
- Revenue from sales of goods and scrap sales is recognised at the point in time when control is transferred to the customer.

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

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

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Disaggregation of revenue

The Group disaggregates revenue from contracts with customers by the nature of services offered to the customers. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors. Refer Note 5.

3.11 Leases

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

A. Group as a lessee:

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

The lease payments shall include:

-fixed payments, including in substance fixed payments;
-variable lease payments that depend on an index or rate, initially measured using the index or rate as at the commencement date
-amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in -substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short term leases and low value assets:

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

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.11 Leases (Continued)

B. Group as a lessor:

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group applies derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

3.12 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset: or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.13 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent when it relates to an item recognised directly in equity or in other comprehensive income respectively.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

3 Significant accounting policies (continued)

3.13 Income tax (continued)

ii. Deferred tax
Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax will not be recognised, when:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.14 Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3.15 Cash and cash equivalents
Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

3.16 Cash flows
Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the Group are segregated.

3.17 Borrowing cost
Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.18 Government grants
Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating revenue on a systematic basis.
Grants that compensate the Group for expenses incurred are recognised in statement of profit or loss as other income on a systematic basis in the periods in which such expenses are recognised.

3.19 Dividend to share holders
Final dividend is distributed to Equity share holders is recognised in the period in which it is approved by the members of the Group in the Annual General Meeting. Final dividend net of divided distribution tax are recognised in the Statement of Changes in Equity.

4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, with respect to Ind AS 1 Presentation of Financial Statements, Ind AS 8 Changes in accounting policies, estimates and errors, Ind AS 12 Income taxes, Ind AS 103 Business Combinations, Ind AS 102 Share Based Payments, Ind AS 109 Financial Instruments and Ind AS 115 Revenue from Contract with Customers. The Company does not expect these amendments to have any significant impact in its standalone financial statements.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

5 Operating segments

The Company is engaged in only one business namely providing supply chain management ('SCM') services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assesses its performance. Accordingly, the Company does not have multiple segments and the financial statements are reflective of the information required by the Ind AS 108 for SCM segment.

A. Geographic information :

The geographic information analyses the Company's revenue by the Company's country of domicile and other countries. In presenting the geographical information, segment revenue has been determined based on the geographic location of the customers.

	Year ended 31 March 2023	Year ended 31 March 2022
India	501.15	473.45
USA	25.16	18.66
Total	**526.31**	**492.11**

The Company's operations are entirely carried out from India and as such all its non-current assets are located in India.

B. Major Customers
Revenue from customers that individually constituted more than 10% of the Company's revenue are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Customer A	111.74	93.31
Customer B	103.91	82.88
Customer C	87.41	82.99
Total	**303.06**	**259.18**

6 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	0.08	0.18
Sale of services		
Income from supply chain management services ^^		
Domestic	500.64	472.98
Export	25.16	18.66
Less: Provision for specific Revenue	-	-
Other operating revenue		
Scrap Sales	0.43	0.29
Total	**526.31**	**492.11**

^^ Includes revenue INR 0.54 crores (31 March 2022: INR 0.67 crores) from renting of warehouse, net of related cost in respect of which the Company acts as an agent in the transaction rather than as the principal.

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DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

7 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income on		
Cash and cash equivalents and other bank balances	0.69	0.39
Loan to corporates	-	0.94
Security deposits at amortised cost	2.15	2.07
Net gain on sale of property, plant and equipment	0.68	0.85
Net gain on foreign currency transactions	0.05	0.13
Gain on lease termination	0.75	-
Insurance claim	0.37	-
Provision no longer required written back	0.92	4.41
Finance income on lease	0.54	0.67
Miscellaneous income	0.02	1.03
Total	**6.17**	**10.49**

8 Purchase of spares

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of spares	0.02	0.05
Total	**0.02**	**0.05**

9 Changes in inventories of spares

	Year ended 31 March 2023			Year ended 31 March 2022		
	Opening stock	Closing stock	Increase / Decrease	Opening stock	Closing stock	Increase / Decrease
Stock-in-trade of spares*	-	-	-	-	-	-
	-	-	-	-	-	-

* Decrease in inventory of spares of INR 5,941 for year ended 31 March 2023 (31 March 2022: INR 13,539) has been rounded off in crores to Nil.

10 Other operating expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Freight, delivery and shipping charges	153.14	142.68
Rent	59.03	47.87
Outsourced manpower cost	131.87	130.81
Warehouse handling charges	30.42	23.76
Total	**374.46**	**345.12**

11 Employee benefits expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus	41.37	34.13
Contribution to provident & other funds	1.64	1.56
Gratuity	1.29	0.63
Expenses related to compensated absences	0.55	0.31
Staff welfare expenses	5.69	7.03
Total	**50.54**	**43.66**

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund (PF) and employees' state insurance (ESI) scheme which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund INR 1.55 crores (31 March 2022: INR 1.47 crores)and ESI for the year aggregated to INR 0.09 crores (31 March 2022: INR 0.09 crores).

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

12 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest on cash credit / working capital loans	0.01	2.27
Interest on loan from related parties	-	0.59
Interest on lease liabilities	5.08	2.83
Other interest cost	1.01	0.94
Total	**6.10**	**6.63**

13 Depreciation and amortisation expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation of property, plant and equipment (refer note 16A)	3.89	4.90
Amortisation of intangible assets (refer note 17)	3.05	3.33
Depreciation of right-of-use assets (refer note 18)	21.97	18.95
Total	**28.91**	**27.18**

14 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of packing materials	1.14	0.65
Power and fuel	5.36	4.40
Rates and taxes	4.24	3.40
Insurance	3.30	1.12
Repairs and maintenance		
Buildings	1.55	0.66
Machinery	1.87	1.81
Others	12.01	8.40
Directors' sitting fees	0.39	0.04
Legal and professional charges (refer note (a) below)	6.10	4.42
Travel and Conveyance	3.81	4.86
Sales promotion expenses	0.32	0.12
Communication expenses	2.04	3.16
Security services	15.15	15.18
Printing and stationery	3.36	2.67
Provision for financial asset (refer note (c) below)	-	0.95
Bad debts written off (net of adjustment against provision for doubtful receivables INR Nil crores (31 March 2022: INR Nil crores)	-	4.59
Trade Advance written off	-	20.69
Less: Provision for Trade advance reversed	-	(20.69)
	-	-
Provision for other assets	-	0.25
Bank charges	0.21	0.12
Expenditure on Corporate social responsibility (refer note (b) below)	0.30	0.45
Miscellaneous expenses	1.31	1.28
Total	**62.46**	**58.53**

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

14 Other expenses (continued)

a. Payment to auditors

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Statutory audit	0.17	0.30
Tax audit	0.02	0.06
Other services	0.06	0.04
Reimbursement of expenses	-	0.00
Payment to component auditor	-	0.05
Total	**0.25**	**0.45**

b. Details of corporate social responsibility expenditure

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Amount required to be spent by the company during the year,	**0.30**	**0.45**
(b) Amount of expenditure incurred,	0.30	0.45
(c) Shortfall / (Surplus) at the end of the year,	-	-
(d) Total of previous years shortfall,	0.21	0.42
(e) Reason for shortfall,	-	Refer Note i) Below
(f) Nature of CSR activities	Differently abled enhancement Projects, Environment, Education, Health care	Differently abled enhancement Projects
(g) Details of related party transactions	-	-
(h) The movements in the provision for unspent CSR (relating to ongoing project) is as follows:	NA	-
Opening balance	0.42	0.50
Amount required to be spent during the year	-	-
Amount spent during the year	0.21	0.08
Closing balance	0.21	0.42

Note i): Due to Covid induced lockdown, Company were not able to spend the amount. Hence transferred the funds to the unspent CSR Account.

Note ii) : Current year expenditure includes contribution to Redington trust.

c. Provision for financial assets

The Company has carried out recoverability assessment on the balances receivable from Rajprotim Agencies Private Limited ('RAPAL'), vendor for Rajprotim Supply Chain Solutions Limited ('RCS'), an erstwhile subsidiary of the Company. Based on the such assessment, the management has recorded INR Nil crores (31 March 2022: INR 0.95 crores) as provision for the loans given to RAPAL and interest accrued there on. The gross amount receivable from RAPAL amounts to INR 16.25 crores (31 March 2022: INR 16.25 crores) (refer note 23 and 24). The loan is secured by 89% equity shares and a parcel of land of RAPAL. The management is in the process of taking necessary steps to recover the balances from RAPAL.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

15 Income tax

A. Amount recognised in the profit and loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Current tax		
Current period	4.71	5.15
Change in estimates to prior periods	-	1.14
Total current tax expense	**4.71**	**6.29**
Deferred tax		
Origination and reversal of temporary difference	(1.93)	0.24
Total deferred tax expense / (benefit)	**(1.93)**	**0.24**
Total	**2.78**	**6.53**

B. Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax (expense) / benefit	Net of tax	Before tax	Tax (expense) / benefit	Net of tax
Remeasurement of defined benefit liability (asset)	0.22	(0.06)	0.16	0.55	(0.14)	0.41
Total	**0.22**	**(0.06)**	**0.16**	**0.55**	**(0.14)**	**0.41**

C. Reconciliation of effective tax rate

Particulars		Year ended 31 March 2023		Year ended 31 March 2022
Profit / (loss) before tax		**9.99**		**21.43**
Enacted tax rates in India	25.17%	2.51	25.17%	5.39
Changes in estimates related to prior years	0.58%	0.06	0.42%	0.09
Effect of non-deductible expenses	-0.53%	(0.05)	-0.78%	(0.17)
Others	2.60%	0.26	5.67%	1.22
Income tax expense	**27.82%**	**2.78**	**30.49%**	**6.53**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

15 Income tax (continued)

D. Recognized deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Net Deferred tax assets (liabilities)	
Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2023**	**As at 31 March 2022**
Property, plant and equipment	4.57	5.34	-	-	4.57	5.34
Intangible assets	-	-	2.09	2.86	(2.09)	(2.86)
Provision - employee benefits	1.77	1.74	-	-	1.77	1.74
Finance lease receivable	-	-	0.74	0.97	(0.74)	(0.97)
Right-of-use assets/Lease liabilities	0.64	0.01	-	0.04	0.64	(0.03)
Finance lease payable	0.17	0.78	-	-	0.17	0.78
Provision - others	5.67	4.11	-	-	5.67	4.12
Net deferred tax (assets) liabilities	**12.82**	**11.98**	**2.83**	**3.87**	**9.99**	**8.12**

Movement in temporary differences:

Particulars	Balance as at 1 April 2021	Recognized in profit or loss during 2021-22	Recognized in OCI during 2021-22	Balance as at 31 March 2022	Recognized in profit or loss during 2022-23	Recognized in OCI during 2022-23	Balance as at 31 March 2023
Property, plant and equipment	2.68	2.66	-	5.34	(0.77)	-	4.57
Intangible assets	0.03	(2.89)	-	(2.86)	0.77	-	(2.09)
Provision - employee benefits	2.40	(0.52)	(0.14)	1.74	0.09	(0.06)	1.77
Finance lease receivable	(1.17)	0.19	-	(0.97)	0.23	-	(0.73)
Right-of-use assets/Lease liabilities	0.08	(0.10)	-	(0.03)	0.67	-	0.64
Finance lease payable	1.50	(0.72)	-	0.78	(0.61)	-	0.17
Provision - others	2.98	1.12	-	4.12	1.56	-	5.67
Total	**8.50**	**(0.25)**	**(0.14)**	**8.12**	**1.93**	**(0.06)**	**9.99**

E Income Taxes

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Income Tax assets	8.13	6.76
Total	**8.13**	**6.76**

Movement in income tax assets(net)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	6.76	16.50
Add: Taxes paid / (refunds) (net)	6.08	(3.45)
Less: Provisions during the year	(4.71)	(6.29)
Balance at the end of the year	**8.13**	**6.76**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

16A Property, plant and equipment

Reconciliation of carrying amount

Particulars	Plant and machinery	Office equipment	Furniture and fixtures	Computers	Vehicles	Lease hold improvements	Total
Deemed cost / Cost (Gross carrying amount)							
Balance as at 1 April 2021	**8.83**	**4.76**	**8.50**	**9.18**	**2.81**	**0.40**	**34.48**
Additions	1.03	0.38	0.31	2.23	0.87	0.12	4.94
Disposals	(0.78)	(0.21)	(0.65)	(0.34)	(0.93)	(0.02)	(2.93)
Balance as at 31 March 2022	**9.08**	**4.93**	**8.16**	**11.07**	**2.75**	**0.50**	**36.49**
Additions	1.24	0.13	0.21	2.94	0.18	0.48	5.18
Disposals	(0.09)	(0.34)	(0.65)	(0.16)	(0.68)	-	(1.92)
Balance as at 31 March 2023	**10.23**	**4.72**	**7.72**	**13.85**	**2.25**	**0.98**	**39.75**
Accumulated depreciation							
Balance as at 1 April 2021	**6.22**	**3.70**	**5.80**	**7.31**	**1.54**	**0.29**	**24.86**
Charge for the year	1.64	0.59	0.67	1.43	0.50	0.07	4.90
Disposals	(0.68)	(0.17)	(0.60)	(0.32)	(0.93)	(0.02)	(2.72)
Balance as at 31 March 2022	**7.18**	**4.12**	**5.87**	**8.42**	**1.11**	**0.34**	**27.04**
Charge for the year	0.88	0.29	0.34	1.70	0.40	0.26	3.89
Disposals	(0.06)	(0.33)	(0.64)	(0.15)	(0.29)	-	(1.49)
Balance as at 31 March 2023	**8.00**	**4.08**	**5.57**	**9.97**	**1.22**	**0.60**	**29.44**
Carrying amount (net)							
As at 31 March 2022	1.90	0.81	2.29	2.65	1.64	0.16	9.44
As at 31 March 2023	**2.23**	**0.64**	**2.15**	**3.88**	**1.03**	**0.37**	**10.29**

16B i) Capital work-in-progress (CWIP)

Capital work-in-progress includes IT accessories installation amounting to INR.0.06 crores (31 March 2021: INR.0.04 crores)

ii) Ageing details

As at 31 March 2023

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.06	-	-	-	0.06
Projects temporarily suspended	-	-	-	-	-
Total	**0.06**	**-**	**-**	**-**	**0.06**

The completion of the project is not overdue and has not exceeded its cost compared to its original plan.

As at 31 March 2022

CWIP	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	0.03	0.01	-	-	0.04
Projects temporarily suspended	-	-	-	-	-
Total	**0.03**	**0.01**	**-**	**-**	**0.04**

The completion of the project is not overdue and has not exceeded its cost compared to its original plan.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

17 Intangible assets

A

Particulars	Customer contracts	Customer relationship	Software	Total	Goodwill
Deemed cost / Cost (Gross carrying amount)					
Balance as at 1 April 2021	**5.00**	**15.01**	**6.22**	**26.23**	**19.34**
Additions		-	0.04	0.04	-
Disposals		-	-	-	-
Balance as at 31 March 2022	**5.00**	**15.01**	**6.26**	**26.27**	**19.34**
Additions		-	-	-	-
Disposals		-	-	-	-
Balance as at 31 March 2023	**5.00**	**15.01**	**6.26**	**26.27**	**19.34**
Accumulated amortisation					
Balance as at 1 April 2021	**4.79**	**3.89**	**2.88**	**11.56**	**3.60**
Charge for the year	0.21	1.88	1.24	3.33	-
Disposals	-	-	-	-	-
Balance as at 31 March 2022	**5.00**	**5.77**	**4.12**	**14.89**	**3.60**
Additions	-	1.88	1.17	3.05	-
Disposals	-	-	-	-	-
Balance as at 31 March 2023	**5.00**	**7.65**	**5.29**	**17.94**	**3.60**
Carrying amount (net)					
As at 31 March 2022	-	9.24	2.14	11.38	15.74
As at 31 March 2023	**-**	**7.36**	**0.97**	**8.33**	**15.74**

B. Impairment

See accounting policy in Note 3.7

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to one of the Group's component which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

	Year ended 31 March 2023	Year ended 31 March 2022
Auroma Logistics Private Limited (CGU of the Company)	15.74	15.74
	15.74	**15.74**

Auroma Logistics Private Limited (CGU of the Company)

The recoverable amount of this cash-generating units ("CGU") is based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. Five years of cash flows have been included in the discounted cash flow model. The carrying amount of the unit has been determined to be lower than its recoverable amount and Nil (31 March 2021: INR Nil crores) of impairment loss has been recognised.

The key assumptions used in the estimation of the recoverable amount are set below. The values assigned to the key assumptions represent management's assessment of future trends in relevant industries and have been based on historical data from both external and internal sources.

	Year ended 31 March 2023	Year ended 31 March 2022
Revenue growth rate range over the forecast period	10% to 11%	10% to 11%
Terminal growth rate	3.0%	2.0%
EBITDA as a % of Revenue- range over the forecast period	6.52% to 7.19%	6.50% to 8.80%
Risk-adjusted discount rates	17.71%	14.35%

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

17 Intangible assets (continued)

B. Impairment (continued)

The Group has considered it appropriate to undertake the impairment assessment with reference to the latest business plan which includes a five year cash flow forecast. The growth rates used in the VIU calculation reflect those inherent within Auroma's business plan, which in primarily a function of the Auroma future assumptions, past performance and management's expectation of future market development through to FY 2027-28. The future cash flows consider potential risks given the current economic environment and key assumptions, such as revenue growth rate and EBITDA.

The cash flow for the FY 2027-28 are extrapolated into perpetuity assuming a growth rate as stated above which is set with reference to weighted-average GDP growth of the country and industry in which the CGU operate.

The impairment losses recorded in earlier years in the standalone financial statements of the Group had been adjusted against the goodwill as mentioned above.

Sensitivity to key assumptions

Significant unobservable inputs used in valuation	**Sensitivity to changes in assumption and inter relationship between key unobservable inputs and fair value measurement**
Risk-adjusted discount rates	Estimated fair value would decrease / (increase) if expected discount rate were higher / (lower)
Terminal value growth rate	Estimated fair value would increase / (decrease) if expected terminal value growth rate were higher / (lower)
Budgeted EBITDA growth rate	Estimated fair value would increase / (decrease) if expected budgeted EBITDA growth rate were higher / (lower)

The change in the following assumptions used in the impairment review would, in isolation, lead to an increase to aggregate impairment loss to be recognized as at 31 March 2022 and 31 March 2021 (although it should be noted that these sensitivities do not take account of potential mitigating actions):

	As at 31 March 2023	**As at 31 March 2022**
Decrease in EBITDA by 1% over the forecast period	-	-
Decrease in terminal rate by 1%	-	-
Increase in discount rate by 1%	-	-

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

18 Leases

Leases as lessee (Ind AS 116)

The leased assets of the Group includes warehouse buildings, plant and machinery, furniture and fixtures and computers taken on lease for providing warehousing and other 3PL services to the customers. The leases typically run for a period of 1 to 5 years, with an option to renew certain leases after that date. The summary of the movement of right-of-use assets for the year is given below:

Information about leases for which the Group is a lease is presented below

i. Right-of-use assets

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at 1 April	54.47	23.08
Additions to right-of-use assets	39.00	79.73
Less: Depreciation charge for the year	(21.97)	(18.95)
Less: Lease modifications	-	
Less: Transfers	-	
Less: Terminated contracts	(10.91)	(29.39)
Balance as at 31 March	**60.59**	**54.47**

On transition to Ind AS 116, the Group recognized lease liabilities measured at the present value of remaining lease payments. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities under Ind AS 116		
Current	22.44	17.27
Non- Current	39.40	40.12
Total lease liabilities as at 31 March	**61.84**	**57.39**

Amounts recognised in Statement of Profit and loss

	Year ended 31 March 2023	Year ended 31 March 2022
Interest on lease liabilities (refer note 12)	5.08	2.83
Depreciation of right-of-use assets (refer note 13)	21.97	18.95
Expenses relating to short-term leases (refer note 10)	59.03	47.87
Total	**86.08**	**69.65**

Amounts recognised in Cashflow statement

	Year ended 31 March 2023	Year ended 31 March 2022
Total cash outflow for leases liabilities under Ind AS 116	(26.95)	(24.28)

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

19 Inventories

Particulars	As at 31 March 2023	As at 31 March 2022
Spares*	-	-
Total	-	-

* Inventory of spares as at 31 March 2022 of INR 40,233 (31 March 2022: INR 46,174) has been rounded off in crores to Nil.

20 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	86.69	81.51
Doubtful	2.62	3.55
Less : Loss allowance	(2.62)	(3.55)
Total	**86.69**	**81.51**
Current	86.69	81.51
Total	**86.69**	**81.51**

Of the above, trade receivables from related parties are as below:

	As at 31 March 2023	As at 31 March 2022
Total trade receivables from related parties (refer note 37)	15.49	14.50
Less: Loss allowance	-	-
Net trade receivables	**15.49**	**14.50**

A Ageing of Trade receivables and Unbilled revenue

The ageing has been derived from the due date of the transaction, where there is no due date for payment, date of transaction has been considered.

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables						
i) Undisputed – Considered good	85.90	2.80	0.22	0.39	-	89.31
ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed – credit impaired	-	-	-	-	-	-
iv) Disputed – Considered good	-	-	-	-	-	-
v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed – Considered doubtful/ Credit impaired	-	-	-	-	-	-
Sub-Total	**85.90**	**2.80**	**0.22**	**0.39**	-	**89.31**
Less: Loss Allowance						**(2.62)**
Total Trade receivables						**86.69**
Unbilled revenue	23.30	-	-	-	-	**23.30**
Less: Loss Allowance						**(0.62)**
Total Unbilled revenue (Refer note 24)						**22.68**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Trade receivables						
i) Undisputed – Considered good	81.75	2.27	1.04	-	-	85.06
ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed – credit impaired	-	-	-	-	-	-
iv) Disputed – Considered good	-	-	-	-	-	-
v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed – Considered doubtful/ Credit impaired	-	-	-	-	-	-
Sub-Total	**81.75**	**2.27**	**1.04**	-	-	**85.06**
Less: Loss Allowance						**(3.55)**
Total Trade receivables						**81.51**
Unbilled revenue (Refer note 24)	22.09	-	-	-	-	**22.09**
Less: Loss Allowance						**(0.30)**
Total Unbilled revenue (Refer note 24)						**21.79**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Notes forming part of the Consolidated financial statements for the year ended 31 March 2023
(All amounts are in Indian rupees in crores, except share data and as stated)

B Expected Credit Loss Allowances

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	**3.55**	**7.99**
Allowance recognized during the year (net)*	0.70	(4.41)
Less: Written-off during the year	(1.63)	(0.03)
Currency translation adjustments	-	-
Balance at the end of the year	**2.62**	**3.55**

21 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Cash in hand	0.01	0.10
Balance with banks:		
- in current accounts	4.72	13.61
- on deposit accounts (Refer note 22.1)	60.28	-
Cash and cash equivalents in balance sheet	**65.01**	**13.71**
Cash and cash equivalents in the statements of cash flows	**65.01**	**13.71**

22 Other bank balances

Particulars	As at 31 March 2023	As at 31 March 2022
Bank deposits with original maturity of more than 3 months	7.62	22.05
Total	**7.62**	**22.05**

22.1 Bank Deposits includes INR 0.74 crores (31 March 2022: INR 0.70 crores) of fixed deposit is pledged against the Overdraft facility availed from SBI and South Indian Bank and INR 7 Crs represents fixed deposits under lien.

23 Loans

Particulars	As at 31 March 2023	As at 31 March 2022
Secured, considered doubtful		
Loan to body corporates*	12.00	12.00
Less: Loss allowance	(12.00)	(12.00)
Total	-	-

*The Company has given INR 12 crore as loan to Rajprotim Agencies Private Limited ('RAPAL'). Out of INR 12 crores, INR 10 crores is secured by a pledge of 89% equity shares of RAPAL and INR 2 crores is secured by a parcel of land.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

24 Other financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Long term finance lease receivable (refer note (a) below)	1.82	2.91
Security deposit		
Unsecured, considered good	18.92	13.64
Total	**20.74**	**16.55**
Current		
Current maturities of finance lease receivable (refer note (a) below)	1.09	0.93
Interest accrued	4.28	4.29
Less: Provision for interest receivable	(4.25)	(4.25)
Unbilled revenue	23.30	22.09
Less: Provision for Unbilled Revenue	(0.62)	(0.30)
Security deposit		
Unsecured, considered good	8.20	7.87
Doubtful	0.30	0.30
Less : Loss allowance	(0.30)	(0.30)
Derivate Financial Asset	0.03	-
Others	7.18	4.56
Total	**39.21**	**35.19**

a) **Finance lease receivable**

The Group's leasing arrangement represents the certain pallets and other assets given to customers which have been classified under Ind AS 17 on Leases as Finance lease. The lease term covers the substantial period of the assets and all the risks and rewards of ownership are transferred to the lessee. The Group records disposal of the property concerned and recognizes the finance income as revenue from operations.

The reconciliation between the gross investment in the lease at the end of the reporting period, and the present value of minimum lease payments receivable at the end of the reporting period are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Gross investment	3.50	4.96
Unearned finance income	(0.59)	(1.12)
Net investment	**2.91**	**3.84**

Finance leases are receivable as follows:

Gross investment	As at 31 March 2023	As at 31 March 2022
Within less than one year	1.46	1.46
Between One and five years	2.04	3.50
After more than five years	-	-
	3.50	**4.96**

Present value of minimum lease payments	As at 31 March 2023	As at 31 March 2022
Within less than one year	1.09	0.93
Between One and five years	1.82	2.91
After more than five years	-	-
	2.91	**3.84**

25 Other assets

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good	-	-
Capital advances	59.06	-
Prepayments	1.29	1.25
Receivable from government authorities	3.00	1.24
Total	**63.35**	**2.49**
Current		
Unsecured, considered good	-	-
Prepayments	2.39	2.78
Balances with statutory authorities	-	3.15
Others	1.16	0.65
	3.55	6.58
Unsecured, considered doubtful		
Others	0.12	0.58
Less: Provision for trade advances	(0.12)	(0.58)
	-	(0.00)
Total	**3.55**	**6.58**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited
Notes forming part of the Consolidated financial statements for the year ended 31 March 2023
(All amounts are in Indian rupees in crores, except share data and as stated)

26A Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
3,00,10,000 (31 March 2022: 1,50,10,000) equity shares of Rs. 10 each	30.01	15.01
Issued, Subscribed and Paid-up		
1,36,23,094 (31 March 2022: 1,07,35,008) equity shares of Rs. 10 each fully paid up	13.62	10.73

Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
At the commencement of the year	1,07,35,008	10.73	90,81,465	9.08
Shares issued for cash	28,88,086	2.89	16,53,543	1.65
At the end of the year	**1,36,23,094**	**13.62**	**1,07,35,008**	**10.73**

Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares of par value of Rs.10/- per share. Accordingly, all equity shares rank equally with regard to dividends, voting rights or otherwise. The equity shareholders are entitled to receive dividend as may be declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by holding / ultimate holding company and / or their subsidiaries / associates and particulars of shareholder holding more than 5% shares of a class of shares

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10/- each paid up held by Redington Limited and its nominees	1,36,23,094	13.62	1,07,35,008	10.73

As at 31 March 2023

Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Redington Limited	1,36,23,094	100%	0%

26A.1 Pursuant to the board meeting dated March 10, 2023, the Company has allotted 28,88,086 equity share of face value Rs. 10 at a premium of Rs. 267.16/.

As at 31 March 2022

Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Redington Limited	1,07,35,008	100%	0%

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

26B Other equity

a. Capital reserve

Particulars	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	5.41	5.41
Stock Compensation Cost (Refer Note 39)	-	-
At the end of the year	**5.41**	**5.41**

Capital reserve represents accumulated stock compensation cost in respect of Stock Appreciation Rights granted to the employees and directors of the Group by the holding Group.

b. Securities premium

Particulars	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	54.82	35.47
Share issued for cash (refer note 26A.1)	77.10	19.35
At the end of the year	**131.92**	**54.82**

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

c. *Retained earnings*

Particulars	As at 31 March 2023	As at 31 March 2022
At the commencement of the year	37.87	22.97
Profit for the period	7.21	14.90
At the end of the year	**45.08**	**37.87**

d *Analysis of accumulated OCI, net of tax*

A. Other items of OCI

Particulars	As at 31 March 2023	As at 31 March 2022
Remeasurements of defined benefit liability (asset)	(0.91)	(1.07)
Total	**(0.91)**	**(1.07)**

Remeasurements of defined benefit liability (asset)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	(1.07)	(1.48)
Remeasurements of defined benefit liability (asset)	0.16	0.41
Closing balance	**(0.91)**	**(1.07)**

Foreign Currency translation reserve

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	-	-
Add: Movement during the year	(0.02)	-
Closing balance	**(0.02)**	**-**

Remeasurements of defined benefit liability (asset)

Remeasurements of defined benefit liability (asset) comprises actuarial (losses) / gains.

26C Capital management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to shareholder through the optimisation of debt and equity balances by maintaining an appropriate level of parity between them. The Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. Adjusted equity comprises all components of equity. Adjusted net debt comprises short term as well as long term borrowings including finance leases, less cash and cash equivalents. The Group's policy is to keep this ratio below 1.00. The Group's adjusted net debt to equity ratio at the end of the year is as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings - short term and long term	-	7.97
Less: Cash and cash equivalents and other bank balances	(72.63)	(35.76)
Net Debt (A)	**(72.63)**	**(27.79)**
Total Equity (B)	195.10	107.76
Adjusted net debt to adjusted equity ratio	**(0.38)**	**(0.26)**

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

27 Earnings per share

a. Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

(i) Profit attributable to equity shareholders (basic and diluted)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Profit for the year, attributable to the equity holders (Rs in Crores)	7.21	14.90
Weighted average number of equity shares (basic)	1,08,22,046	97,65,533
Earnings per share- Basic (in Indian Rupees)	6.66	15.26
Weighted average number of equity shares (diluted)	1,08,22,046	97,65,533
Earnings per share- Diluted (in Indian Rupees)	6.66	15.26
Face value per share in Rs	10/-	10/-

(ii) Weighted average number of equity shares (basic and diluted)

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Opening balance	1,07,35,008	90,81,465
Effect of fresh issue of shares for cash	87,038	6,84,068
Weighted average number of equity outstanding during the year	**1,08,22,046**	**97,65,533**

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

28 Financial information

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements statements' of Division II of Schedule III

31 March 2023

Particulars	Net assets (total assets minus total liabilities)		Share in profit or loss		Share in other comprehensive income		Total comprehensive income
	As % of consolidated assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	Amount
Parent:							
ProConnect Supply Chain Solutions Limited	100.14%	195.38	103.88%	7.49	100%	0.14	7.63
Subsidiaries:							
ProConnect Holding Limited	-0.14%	(0.28)	-3.88%	(0.28)	0%	(0.00)	(0.28)
31 March 2023	**100.00%**	**195.10**	**100.00%**	**7.21**	**100.00%**	**0.14**	**7.35**

Consolidation is applicable for the year ended 31 March 2023 and hence disclosures are not applicable for the previous year ended 31 March 2022.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

29 Borrowings (Current)

Particulars	As at 31 March 2023	As at 31 March 2022
Current portion of long term borrowing		
Terms loans from banks (secured)	-	7.97
Total	**-**	**7.97**

Information about the Company's exposure to interest rate and liquidity risk is provided in Note 33

During the previous year, Company could not meet a few of the loan covenants associated with term loans availed from HDFC Bank. Since these covenants were breached as at 31 March 2021, these terms loans are classified as current borrowings.

Quarterly returns and statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

Terms and repayment schedule

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Nominal interest rate	Year of maturity	Carrying amount as at 31 March 2023	Carrying amount as at 31 March 2022
Term loans	USD	6.90%	2022-23	-	3.17
Term loans	INR	8.7% - 11.13%	2022-23	-	4.80
				-	**7.97**

Summary of borrowing arrangements

Term loan from HDFC is secured by moveable fixed assets with a security cover of not less than 1.00 times of outstanding term loan. Term loan from IDFC bank is secured by first pari passu charge over book debts both present and future, exclusive charge on the security deposits of the company both present and future.

Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Cash credit and overdraft from banks	Working capital demand loan including related party loans	Term loans	Finance lease obligations	Total
Balance at the 1 April 2021					
- Borrowings	**13.32**	**35.00**	**21.99**	**-**	**70.31**
- Other financial liabilities	**-**	**-**	**-**	**29.36**	**29.36**
Changes from financing cash flows					
Loans repaid during the year	-	(35.00)	(14.02)		**(49.02)**
Interest expense	2.27	0.59	-	2.83	**5.69**
Interest paid	(2.27)	(0.59)	-	-	**(2.86)**
Total changes from financing cash flows	**-**	**(35.00)**	**(14.02)**	**2.83**	**(46.19)**
Other changes					
Liability-related					
Change in bank overdraft	(8.33)	-	-	-	**(8.33)**
Change in cash credits	(4.99)	-	-	-	**(4.99)**
On account of termination	-	-	-	(53.12)	**(53.12)**
New finance leases	-	-	-	78.32	**78.32**
Total liability-related other changes	**(13.32)**	**-**	**-**	**25.20**	**11.88**
Balance at the 31 March 2022					
-Borrowings	**-**	**-**	**7.97**	**-**	**7.97**
-Lease liabilities	**-**	**-**	**-**	**57.39**	**57.39**
Balance at the 1 April 2022					
- Borrowings	**-**	**-**	**7.97**	**-**	**7.97**
-Lease liabilities	**-**	**-**	**-**	**57.39**	**57.39**
Changes from financing cash flows					
Loans repaid during the year	-	-	(7.97)	-	**(7.97)**
Interest expense	-	-	-	5.09	**5.09**
Total changes from financing cash flows	**-**	**-**	**(7.97)**	**5.09**	**(2.88)**
Other changes					
Liability-related					
On account of termination	-	-	-	(38.69)	**(38.69)**
New finance leases				38.05	**38.05**
Total liability-related other changes	**-**	**-**	**-**	**(0.64)**	**(0.64)**
Balance at the 31 March 2023					
-Lease liability	**-**	**-**	**-**	**61.84**	**61.84**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

30 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Trade payables to related parties	1.27	0.59
Other trade payables	84.04	70.04
Total	**85.31**	**70.63**

All trades payables are 'current'

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in note 34. Also, refer note 38 on Micro, Small and Medium Enterprises.

Ageing of trade payables

The ageing has been derived from the due date of the transaction, where there is no due date for payment, date of transaction has been considered.

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2-3 years	More than 3 years	Total
Undisputed dues					
(i) MSME	3.70	-	-	-	**3.70**
(ii) Others	32.80	0.66	0.88	0.61	**34.95**
Disputed dues					
(iii) MSME	-	-	-	-	-
(iv) Others	-	-	-	-	-
Unbilled dues (Provisions)	46.66	-	-	-	**46.66**
Total	**83.16**	**0.66**	**0.88**	**0.61**	**85.31**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1 - 2 Years	2-3 years	More than 3 years	Total
Undisputed dues					
(i) MSME	0.70	-	-	-	**0.70**
(ii) Others	30.48	1.94	0.77	-	**33.19**
Disputed dues	-	-	-	-	
(iii) MSME	-	-	-	-	-
(iv) Others	-	-	-	-	-
Unbilled dues (Provisions)	36.74	-	-	-	**36.74**
Total	**67.92**	**1.94**	**0.77**	-	**70.63**

31 Other financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deposit from customers	5.94	7.26
Other payables	15.29	13.62
Total	**21.23**	**20.88**
Non current	5.94	7.26
Current	15.29	13.62
Total	**21.23**	**20.88**

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in note 34.

32 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Dues to employees	5.25	4.63
Statutory dues	10.85	3.22
Others	1.44	-
Total	**17.54**	**7.85**
Non current	0.52	-
Current	17.02	7.85
Total	**17.54**	**7.85**

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DELOITTE HASKINS & SELLS
★ CHENNAI-17 ★
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

33 Provisions

Particulars	Non current		Current	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits				
Gratuity	4.42	4.40	0.49	0.55
Compensation absence	1.92	1.76	0.24	0.23
Total-A	**6.34**	**6.16**	**0.73**	**0.78**
Provision Others	-	-	11.21	4.61
Total-B	**-**	**-**	**11.21**	**4.61**
Provision Total	**6.34**	**6.16**	**11.94**	**5.39**

For details about the related employee benefit expenses, see Note 11

The Company operates the following post-employment defined benefit plans:
The Company has a defined benefit gratuity plan in India (the Plan), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee at the time of retirement, death or termination of employment. Liabilities for the same are determined through an actuarial valuation as at the reporting dates using the "projected unit cost method".

These defined benefit plans expose the Company to actuarial risks, such as longevity risk and interest rate risk.

A. Funding

The gratuity plan of the Company is an unfunded plan.

B. Reconciliation of the net defined benefit (asset)/ liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) liability and its components:

Reconciliation of present value of defined benefit obligation

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning of the year	4.95	5.43
Current service cost	0.72	0.65
Past Service Cost	0.42	-
Interest cost	0.57	0.39
Benefits paid	(1.55)	(0.97)
Actuarial (gains) losses recognised in other comprehensive income		
- changes in financial assumptions	(0.84)	(0.55)
- experience adjustments	0.62	-
Balance at the end of the year	**4.89**	**4.95**

C. Expense/ (income) recognised in the statement of profit or loss

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Current service cost	0.72	0.65
Interest cost	0.57	0.39
Total	**1.29**	**1.04**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

33 Provisions (continued)

D. Remeasurements recognised in other comprehensive income

Particulars	Year Ended 31 March 2023	Year Ended 31 March 2022
Actuarial loss on defined benefit obligations	(0.22)	(0.55)
Total	**(0.22)**	**(0.55)**

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2023	As at 31 March 2022
Discount rate	7.50%	6.75%
Future salary growth	10.00%	10.00%
Attrition rate	12.50%	12.50%

ii. 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	As at 31 March 2023		As at 31 March 2022	
	Increase in %	Decrease in %	Increase in %	Decrease in %
Discount rate (1% movement)	(0.29)	0.32	(0.32)	0.30
Future salary growth (1% movement)	0.31	0.28	0.29	(0.30)
Attrition rate (1% movement)	(0.05)	0.06	(0.08)	0.05

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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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management

A. Accounting classification and fair values

As at 31 March 2023	Note	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward Contracts		0.03	-	0.03	-	0.03	-	0.03
Financial assets not measured at fair value								
Trade receivables	20	-	86.69	-	-	-	-	-
Cash and cash equivalents	21	-	65.01	-	-	-	-	-
Other bank balances	22	-	7.62	-	-	-	-	-
Other financial assets	24	-	59.95	-	-	-	-	-
Total financial assets		**0.03**	**219.27**	**0.03**	-	**0.03**	-	**0.03**
Financial liabilities not measured at fair value								
Trade payables	30	-	85.31	-	-	-	-	-
Lease liabilities	18	-	61.84	-	-	-	-	-
Other financial liabilities	31	-	21.23	-	-	-	-	-
Total financial liabilities		-	**168.38**		-	-	-	-

As at 31 March 2022	Note	Carrying amount			Fair value			
		FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Forward Contracts		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Trade receivables	20	-	81.51	-	-	-	-	-
Cash and cash equivalents	21	-	13.71	-	-	-	-	-
Other bank balances	22	-	22.05	-	-	-	-	-
Other financial assets	24	-	51.74	-	-	-	-	-
Total financial assets		-	**169.01**	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade payables	30	-	70.63	-	-	-	-	-
Lease liabilities	18	-	57.39	-	-	-	-	
Borrowings	29	-	7.97	-	-	-	-	-
Other financial liabilities	31	-	20.88	-	-	-	-	-
Total financial liabilities		-	**156.87**		-	-	-	-

Note: The Company has not disclosed fair values of financial instruments such as trade receivables, cash and bank balances, loans, trade payables, borrowings because their carrying amounts are reasonable approximations of their fair values.

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the standalone financial instruments that are (a) recognised and measured at fair value and (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 Company has classified its financial instruments into the three levels as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk; and
- market risk

i. 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 board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

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.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables, certain loans and advances and other financial assets.

The maximum exposure to credit risk for trade and other receivables are as follows:

Particulars	Carrying amount As at 31 March 2023	Carrying amount As at 31 March 2022
Trade receivables	86.69	81.51
Cash and bank balances	65.01	13.71
Other bank balances	7.62	22.05
Deposits and other receivables	-	-
Other financial assets	59.95	51.74
Total	**219.27**	**169.01**

Trade and other receivables

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

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DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)
ii. Credit risk (continued)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full except to the extent already provided, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Company determines credit risk based on a variety of factors including but not limited to the age of the receivables, cash flow projections and available press information about customers. In order to calculate the loss allowance, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency through write-off. Roll rates are calculated separately for exposures in different stages of delinquency primarily determined based on the time period for which they are past due.

Receivables from customers that individually constituted more than 10% of the Company's receivables are as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Customer A	17.66	20.66
Customer B	15.46	15.65
Customer C	16.32	2.83
Total	**49.44**	**39.14**

The ageing of trade receivables that were not impaired as at the reporting date was:

As at 31 March 2023

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Past due 1-90 days	85.90	0.30%	(0.26)	No
Past due 90-180 days	2.80	7.99%	(0.22)	No
Past due 181-270 days	0.22	507.19%	(1.14)	No
Past due 271-365 days	0.39	25.57%	(0.10)	No
Past due for more than 365 days	-	0.00%	(0.90)	No
Total	**89.31**		**(2.62)**	

As at 31 March 2022

Particulars	Gross carrying amount	Weighted-average loss rate	Loss allowance	Whether credit-impaired
Past due 1-90 days	77.60	0.59%	(0.46)	No
Past due 90-180 days	3.17	7.58%	(0.24)	No
Past due 181-270 days	1.69	31.43%	(0.53)	No
Past due 271-365 days	0.58	53.02%	(0.31)	No
Past due for more than 365 days	2.02	99.64%	(2.01)	No
Total	**85.06**		**(3.55)**	

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34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

Movements in the allowance for impairment in respect of trade receivables and loans

The movement in the allowance for impairment in respect of trade receivables is as follows:

	As at 31 March 2023	As at 31 March 2022
Balances at 1 April	3.55	7.99
Add: Provision for the year / (reversal)	(0.90)	(4.41)
Less: Provision reversed against bad debts written off	(0.03)	(0.03)
Balance at 31 March	**2.62**	**3.55**

Cash and bank balances (includes amounts classified under other bank balances and deposits and other receivables

The Company holds cash and bank balances of INR 72.64 crores at 31 March 2023 (31 March 2022: INR 35.76 crores). The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

Security deposits

This balance is primarily constituted by deposit given in relation to leasehold premises occupied by the Company for carrying out its operations. The Company does not expect any losses from non-performance by these counter-parties.

iii. 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. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

Particulars	Carrying amount	Contractual cash flows					
		Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2023							
Non derivative financial liabilities							
Loans from banks ^^	-	-	-	-	-	-	-
Lease liabilities	61.84	72.17	13.05	12.43	18.66	20.22	7.82
Trade payables	85.31	85.31	85.31	-	-	-	-
Other financial liabilities	21.23	21.23	15.29	-	5.94	-	-
Total	**168.38**	**178.71**	**113.65**	**12.43**	**24.60**	**20.22**	**7.82**

^^ excluding contractual interest payments

Particulars	Carrying amount	Contractual cash flows					
		Gross	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 March 2022							
Non derivative financial liabilities							
Loan from banks ^^	7.97	7.97	2.17	1.00	1.20	3.60	-
Lease liabilities	57.39	71.12	10.32	11.01	14.94	21.69	13.17
Trade payables	70.63	70.63	70.63	-	-	-	-
Other financial liabilities	20.88	20.88	13.62	-	7.26	-	-
Total	**156.87**	**170.60**	**96.74**	**12.01**	**23.40**	**25.29**	**13.17**

^^ excluding contractual interest payments

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

iii. Liquidity risk (continued)

Financial instruments carried at fair value as at 31 March 2023 is INR 0.30 (31 March 2022: Nil) and financial instruments carried at amortised cost as at 31 March 2023 is INR 219.27 crores (31 March 2022: 169.31 crores)

Financial assets of INR 219.27 crores as at 31 March 2023 carried at amortised cost is in the form of cash and cash equivalents, bank deposits trade receivables, loans given to body corporates, deposits and other receivables and other financial assets where the Company has assessed the counterparty credit risk. Trade receivables of INR 86.69 crores as at 31 March 2023 forms a significant part of the financial assets carried at amortised cost, which is valued considering provision for allowance using expected credit loss method. This assessment is not just based on any mathematical model but an assessment considering the nature of business and the financial strength of the customers in respect of whom amounts are receivable. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in the credit terms and following up for collection etc., depending on severity of each case. The same assessment is done in respect of unbilled receivables INR 23.30 crores as at 31 March 2023 while arriving at the level of provision that is required. Basis this assessment, the allowance for doubtful trade receivables of INR 2.62 crores as at 31 March 2023 which is adjusted against the outstanding balance above is considered adequate.

iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

The following table analyses foreign currency risk from financial instruments:

Particulars	As at 31 March 2023		As at 31 March 2022	
	INR	USD	INR	USD
Financial assets:				
Trade receivables				
Foreign currency exposure	7.08	0.09	3.93	0.05
Less: Hedged through forward exchange contracts	2.10	0.03	-	-
Unhedged exposures	4.98	0.06	3.93	0.05
Foreign currency exposure - unhedged				
Other financial assets	-	-	1.95	0.03
Financial liabilities:				
Foreign currency exposure - unhedged				
Borrowings	-	-	(3.17)	(0.04)
Trade payables	(0.51)	(0.01)	-	-
Net assets / (liabilities)	**6.57**	**0.08**	**2.71**	**0.04**

Sensitivity analysis

A reasonably possible strengthening (weakening) of INR against US dollar at 31 March 2023 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	Profit / (loss)		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2023				
USD (1% movement)	-	-	-	-
31 March 2022				
USD (1% movement)	(0.00)	0.00	-	-

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

34 Financial instruments - Fair values and risk management (continued)

C. Financial risk management (continued)

Interest rate risk

The Company has only one type of variable rate instrument i.e. cash credit facility being used for cash management purposes. Company's exposure to variable rate instruments is insignificant.

Exposure to interest rate risk

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

Fixed-rate instruments

Particulars	As at 31 March 2023	As at 31 March 2022
Fixed rate instruments		
Financial assets - Other bank balances	7.62	22.05
Financial assets - Finance lease receivable	2.92	3.84
Financial liabilities- Finance lease obligation	(61.84)	(57.39)
Financial liabilities- Term Loan	-	(7.97)
	(51.30)	**(39.47)**

Variable-rate instruments

Particulars	As at 31 March 2023	As at 31 March 2022
Financial liabilities- Secured loan	-	-
	-	-

Cash flow sensitivity analysis for variable rate instruments

A reasonable possible change of 100 basic points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Effect on profit and loss before tax	
Particulars	**100 bp increase**	**100 bp decrease**
31 March 2023		
Variable-rate instrument	-	-
Cash flow sensitivity (net)	-	-
31 March 2022		
Variable-rate instrument	-	-
Cash flow sensitivity (net)	-	-

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CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

35 Operating leases

Leases as lessee

The Company has taken on lease a number of offices and warehouse facilities under cancellable operating leases. The leases are for varied periods, which are renewable at the option of the Company.

Amounts recognised in profit or loss

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Lease expense	59.03	47.87

36 Contingent liabilities and capital commitments

Particulars	As at March 31 2023	As at March 31 2022
Estimated amount of contracts remaining to be executed on capital account and not provided	37.33	0.47
Contingencies		
Contingent liabilities:		
Bank guarantees issued	10.78	11.46
Claims not acknowledged as debt	1.54	-
Disputed Tax Demands		
Direct Taxes	7.39	-

Show cause notices are not considered as contingent liabilities unless converted into demand.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

37 Related parties

A Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Parties having Significant Influence on the Company	Synnex Mauritius Limited
Holding company	Redington Limited
Fellow Subsidiary	Redserv Business Solutions Private Limited
Subsidiary	ProConnect Holding LLC
Key Management Personnel	Mr. E.H. Kasturi Rangan (Managing Director) (till 31 January 2023)
	Mr.Kumar Malay Shankar, Chief Executive Officer (CEO) (from 01 June 2022)
	Mr. S Vijayaraghavan, Chief Finance Officer (CFO)

Mr Kumar Malay Shankar has been appointed as Managing Director with effect from 1 April 2023.

B. Transaction with key management personnel

i. Loan to Director

During the previous years, the Company as a part of scheme approved, by members at extra ordinary meeting, granted an unsecured housing loan to its managi director amounting to INR 0.40 crores (interest rate is fixed at 9% p.a) which is repaid during the previous year.

Particulars	Purpose	Year ended 31 March 2023	Year end 31 March 20
As at the beginning of the financial year		-	0.4
Given during the financial year	Housing loan	-	-
Repaid during the financial year			(0.4
As at the end of the financial year		-	-
Interest		-	-

ii.

Key management personnel of the Company comprise of the Board of Directors and key members of management having authority and responsibility f planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

Particulars	Managing Director	CEO	CFO	Tot
For the year ended 31 March 2023				
Short term employee benefits	1.43	0.87	0.58	2.8
Post-employment defined benefits	0.55	*	*	0.5
Compensated absences	0.07	*	*	0.0
Sitting fees	0.01	-	-	0.0
Total	**2.06**	**0.87**	**0.58**	**3.5**

Particulars	Managing Director	CEO	CFO	Tot
For the year ended 31 March 2022				
Short term employee benefits	0.95	-	0.10	1.0
Post-employment defined benefits	-	*	*	-
Compensated absences	-	*	*	-
Sitting fees	-	-	-	-
Total	**0.95**	**-**	**0.10**	**1.0**

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (s Note 11).

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

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

ProConnect Supply Chain Solutions Limited

Notes forming part of the Consolidated financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

37 Related parties

A Names of related parties and description of relationship

Nature of Relationship	Name of the Party
Parties having Significant Influence on the Company	Synnex Mauritius Limited
Holding company	Redington Limited
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B. Transaction with key management personnel

i. Loan to Director

During the previous years, the Company as a part of scheme approved, by members at extra ordinary meeting, granted an unsecured housing loan to its managing director amounting to INR 0.40 crores (interest rate is fixed at 9% p.a) which is repaid during the previous year.

Particulars	Purpose	Year ended 31 March 2023	Year ended 31 March 2022
As at the beginning of the financial year		-	0.40
Given during the financial year	Housing loan	-	-
Repaid during the financial year			(0.40)
As at the end of the financial year		-	-
Interest		-	-

ii.

Key management personnel of the Company comprise of the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Company. The key management personnel compensation during the year are as follows:

Particulars	Managing Director	CEO	CFO	Total
For the year ended 31 March 2023				
Short term employee benefits	1.43	0.87	0.58	2.88
Post-employment defined benefits	0.55	*	*	0.55
Compensated absences	0.07	*	*	0.07
Sitting fees	0.01	-	-	0.01
Total	**2.06**	**0.87**	**0.58**	**3.51**

Particulars	Managing Director	CEO	CFO	Total
For the year ended 31 March 2022				
Short term employee benefits	0.95	-	0.10	1.05
Post-employment defined benefits	-	*	*	-
Compensated absences	-	*	*	-
Sitting fees	-	-	-	-
Total	**0.95**	**-**	**0.10**	**1.05**

Compensation of the Company's key management personnel includes salaries, non-cash benefits and contributions to post-employment defined benefit plan (see Note 11).

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

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

37 Related parties (continued)

C. Related party transactions other than those with key management personnel

Particulars	Transaction value		Balance outstanding	
	Year ended 31 March 2023	Year ended 31 March 2022	As at 31 March 2023	As at 31 March 2022
Sale of goods and services				
Redington Limited	111.75	93.31	15.49	14.50
Synnex Mauritius Limited	-	0.03	-	0.03
Rental Expenses				
Redington Limited	4.65	4.25	1.15	0.57
Service charges				
Redington Limited	0.12	0.81	0.13	-
Redserv Business Solutions Private Limited	-	0.88	-	0.08
Rental Income				
Redserv Global Solutions	0.23	-	0.23	-
Interest Expense				
Redington Limited	-	0.59	-	-
Loans repaid				
Redington Limited	-	20.00	-	-
Reimbursement of expenses paid				
Redington Limited	0.13	-	0.40	-
Capital Advances				
Redington Limited	59.00	-	59.00	-
Capital Contribution from parent				
Redington Limited	80.00	-	-	-
Rental deposits				
Redington Limited	0.53	-	0.53	-

38 Due to micro, small and medium enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to dues to micro, small and medium enterprises (MSME). On the basis of the information and records available with the management, the Group's suppliers are covered under the MSMED and accordingly, disclosure of information relating to principal, interest accruals and payments are given below:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	3.70	0.70
(b) the amount of interest paid by the buyer 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 each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

39 Share based payment transactions

A. Details of Stock appreciation rights

On 30 December 2017, Redington Limited ('the Holding Company') granted 1,104,000 Stock Appreciation Rights (SARs) to the eligible employees and directors of the Company under the Redington Stock Appreciation Right Scheme, 2017 ('SAR Scheme'). The SAR scheme was duly approved by the Board of Directors and the Shareholders of the Holding Company pursuant to which the shares of the Holding Company will be issued to the eligible employees and directors of the Company.

Each SAR entitles the employees and directors to receive equity shares of the Company equivalent to the increase in value of one equity share ('Appreciation') of the holding company. Appreciation is calculated by reducing the issue price / base price from the reported closing price of the equity shares of the holding company in the NSE / BSE where there is highest trading, on the day prior to the date of exercising of these SARs and multiplying the resultant with the number of SARs exercised.

These SARs vest over a period of 3 years from the date of the grant in the following manner:

10% of the SARs vest after a period of one year from the grant date, 20% of the SARs vest after a period of two years from the grant date and 70% of the SARs vest after a period of three years from the grant date.
These SARs are exercisable within a period of three years from the respective date of vesting.

Certain SARs granted to the members of senior management team as identified by the Nomination and Remuneration committee of the Holding Company have an associated performance condition. Of the total SARs granted to senior management team, 35% of the SARs that would vest at the end of 3 years from the date of the grant are subject to these performance condition.

B. Measurement of fair values

The fair value of these SARs were determined based on the grant date fair values using the Black Scholes model. The fair value of the options and inputs as determined by the holding company and used in the measurement of the grant date fair values of the equity settled SARs are as follows:

Particulars	31 March 2023	31 March 2022
Fair value at grant date (weighted-average) (INR)	71.99 per SAR	71.99 per SAR
Share price at grant date (INR)	174.60 per share	174.60 per share
Base price / Exercise price (INR)	148.50 per SAR	148.50 per SAR
Expected volatility (weighted-average)	35.72%	35.72%
Expected life (weighted-average)	4.10 years	4.10 years
Expected dividends	1.20%	1.20%
Risk-free interest rate (weighted-average)	7.02%	7.02%

Expected volatility has been based on an evaluation of the historical volatility of the holding company's share prices. The expected term of the instruments has been determined based on the average of vesting period and the contractual term of the instruments.

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(All amounts are in Indian rupees in crores, except share data and as stated)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of SARs under the share option plan were as follows:

Particulars	Number of SARs	
	31 March 2023	31 March 2022
Outstanding as at 1 April	1,51,470	5,41,250
Add: Granted during the year (Bonus issue)	-	77,335
Less: Exercise during the year	(35,200)	(4,32,465)
Less: Forfeited during the year	(9,600)	(34,650)
Outstanding as at 31 March	1,06,670	1,51,470
SARs exercisable at the end of the year	1,06,670	1,51,470

The SARs outstanding as at 31 March 2023 and 31 March 2022 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of Nil.

D. Expense recognized in statement of profit and loss

The Company has recognized costs with respect to those SARs which were issued to the employees and directors of the Company in the statement of profit and loss as employee benefit expenses. For details on the employee benefit expenses refer note 11. The corresponding credits are accumulated in capital reserve. For details refer note 26B.

40 Other information

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii) The Company has not traded or invested in Crypto currency or virtual currency during the current year.

iii) A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shal
1) 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
2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
1) 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
2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

v) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

vi) The company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(All amounts are in Indian rupees in crores, except share data and as stated)

41 The Ind AS financial statements of the Company for the year ended 31 March 2022 were audited by M/s BSR & Co LLP Chartered Accountants, the predecessor auditor who have expressed an unmodified opinion.

42 Subsequent events

There are no other significant subsequent events that have occurred after the reporting period till the date of these financial statements except for the below .

Subsequent to the year end . the Parent has acquired ADC (Automatic Distribution Centre) at Chennai from Redington Limited pursuant to the agreement dated 26 April 2023 for a consideration of Rs 39.50 Crs (includes Land, Building and Other assets) and the same is considered as non-adjusting event .

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Malay Kumar Shankar	**Krishnan S.V**
Managing Director	*Director*
DIN: 10095199	DIN: 07518349
Place: Canada	Place: Chennai
Date: 10 May 2023	Date: 10 May 2023
Muthu Kumarasamy	**S Vijayaraghavan**
Company Secretary	*Chief Financial Officer*
Place: Chennai	*Place: Chennai*
Date: 10 May 2023	Date: 10 May 2023

ProConnect Supply Chain Solutions Limited

Notes forming part of the standalone financial statements for the year ended 31 March 2023

(All amounts are in Indian rupees in crores, except share data and as stated)

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of SARs under the share option plan were as follows:

Particulars	Number of SARs	
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Add: Granted during the year (Bonus issue)	-	77,335
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Less: Forfeited during the year	(9,600)	(34,650)
Outstanding as at 31 March	1,06,670	1,51,470
SARs exercisable at the end of the year	1,06,670	1,51,470

The SARs outstanding as at 31 March 2023 and 31 March 2022 have a base price / exercise price of INR 148.50 per SAR and a weighted average remaining contractual life of Nil.

D. Expense recognized in statement of profit and loss

The Company has recognized costs with respect to those SARs which were issued to the employees and directors of the Company in the statement of profit and loss as employee benefit expenses. For details on the employee benefit expenses refer note 11. The corresponding credits are accumulated in capital reserve. For details refer note 27B.

41 Other information

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii) The Company has not traded or invested in Crypto currency or virtual currency during the current year.

iii) A) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

1) 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

2) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

B) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

1) 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

2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

iv) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

v) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

vi) The company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956, the Company.

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DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

42 The Ind AS standalone financial statements of the Company for the year ended March 31, 2022 were audited by M/s BSR & Co LLP Chartered Accountants, the predecessor auditor who have expressed an unmodified opinion.

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There are no other significant subsequent events that have occurred after the reporting period till the date of these financial statements except for the below

Subsequent to the year end . the Company has acquired ADC (Automatic Distribution Centre) at Chennai from Redington Limited pursuant to the agreement dated 26 April 2023 for a consideration of Rs 39.50 Crs (includes Land, Bulding and Other assets) and the same is considered as non-adjusting event .

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

for and on behalf of the board of directors of
Proconnect Supply Chain Solutions Limited
CIN: U63030TN2012PLC087458

Malay Kumar Shankar
Managing Director
DIN: 10095199
Place: Canada
Date: 10 May 2023

Krishnan S.V
Director
DIN: 07518349
Place: Chennai
Date: 10 May 2023

Muthu Kumarasamy
Company Secretary
Place: Chennai
Date: 10 May 2023

S Vijayaraghavan
Chief Financial Officer
Place: Chennai
Date: 10 May 2023

Deloitte Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
52, Venkatnarayana Road
T. Nagar
Chennai 600 017
Tamil Nadu, India

Tel: +91 44 6688 5000
Fax: +91 44 6688 5050

INDEPENDENT AUDITOR'S REPORT

To The Members of Redserv Global Solutions Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Redserv Global Solutions Limited** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the period from January 21, 2022 to March 31, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the period from January 21, 2022 to March 31, 2023.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

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

- Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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CHENNAI-17
CHARTERED ACCOUNTANTS

Deloitte Haskins & Sells

Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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.

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on April 1 , 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the period from January 21, 2022 to March 31, 2023 is in accordance with the provisions of section 197 of the Act.

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

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

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

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's 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, 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.

(b) The Management has represented, that, to the best of it's 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, 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the period from January 21, 2022 to March 31, 2023 and has not proposed final dividend for the period.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Ananthi

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJS7301

Place: Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over financial reporting with reference to standalone financial statements of **Redserv Global Solutions Limited** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements of the Company.

Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made

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CHENNAI-17
CHARTERED ACCOUNTANTS

only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the criteria for internal financial control, established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJS7301

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Place: Chennai
Date: May 09, 2023

Deloitte
Haskins & Sells

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) In respect of the Company's Property, Plant and Equipment and Intangible assets:

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of Right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment and Right-of-Use Assets were physically verified during the period from January 21, 2022 to March 31, 2023 by the Management in accordance with a programme of verification, which, in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) In respect of immovable properties that have been taken on lease and disclosed in the financial statements as right-of use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use Assets) and intangible assets during the period from January 21, 2022 to March 31, 2023.

(e) No proceedings have been initiated during the period from January 21, 2022 to March 31, 2023 or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the period from January 21, 2022 to March 31, 2023 , the Company has not been sanctioned any working capital facility from banks or financial institutions on the basis of security of current assets and hence reporting under clause (ii)(b) of the Order is not applicable.

(iii) The Company has made investments in Companies and granted loans to companies during the period from January 21, 2022 to March 31, 2023 in respect of which:

(a) The Company has provided:

Particulars	Amount in Rs lakhs
A. Aggregate amount granted / provided during the period:	
- Subsidiary - Loan to Redserv Business Solutions Private Limited	14.00
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiary - Loan to Redserv Business Solutions Private Limited	14.00

The Company has made investments to companies, during the period and details of which are given below:

Particulars	Amount in Rs lakhs
A. Aggregate amount of investment made during the period:	
-Subsidiary- Redserv Business Solutions Private Limited	8.62
B. Balance outstanding as at balance sheet date in respect of above cases:*	
- Subsidiary Redserv Business Solutions Private Limited	8.62

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

The Company has not provided guarantee or security, granted any advances in nature of loans or security to any other entity, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the period from January 21, 2022 to March 31, 2023.

(b) The investment made and the terms and conditions of the above-mentioned loan during the period from January 21, 2022 to March 31, 2023 are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and interest are not due as on the balance sheet date as per the stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) None of the loans granted by the Company have fallen due during the period from January 21, 2022 to March 31, 2023.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the period from January 21, 2022 to March 31, 2023. Hence, reporting under clause (iii)(f) is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of, grant of loans and investments made.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues applicable to the Company, have been regularly deposited by it with the appropriate authorities in all cases during the period from January 21, 2022 to March 31, 2023.

(b) There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(c) There were no disputed due payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax and other material statutory dues as at March 31, 2023.

(viii) In our opinion and according to the information and explanations given to us, there were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the period from January 21, 2022 to March 31, 2023.

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(c) The Company has not taken any term loan during the period from January 21, 2022 to March 31, 2023 and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the period from January 21, 2022 to March 31, 2023 for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.

(f) The Company has not raised any loans during the period from January 21, 2022 to March 31, 2023 and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the period from January 21, 2022 to March 31, 2023 and hence reporting under clause (x)(a) of the Order is not applicable.

(b) The Company has made private placement of shares during the period from January 21, 2022 to March 31, 2023. For such allotment of shares, based on the information and explanations given to us by the Company, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the period from January 21, 2022 to March 31, 2023 for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the period from January 21, 2022 to March 31, 2023.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the period from January 21, 2022 to March 31, 2023 .

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the period from January 21, 2022 to March 31, 2023 and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the period from January 21, 2022 to March 31, 2023 and up to the date of this report.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion and based on our examination, the Company is not required to have an internal audit system as per provisions of the Companies Act 2013.

(xv) In our opinion and according to the information and explanations given to us, during the period from January 21, 2022 to March 31, 2023 the Company has not entered into any non-cash transactions with its directors or the directors of it's parent Company and subsidiary Company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) to (c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

(d) According to the information and explanations given to us, the Group does not have any CIC as and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses during the financial year covered by our audit.

(xviii) There has been resignation of the statutory auditors of the Company during the period from January 21, 2022 to March 31, 2023 and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

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

(xx) The Company was incorporated on January 21, 2022 and this is the first financial year of the Company, hence reporting under clause 3(xx) of the Order is not applicable.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 23209252BGXMJS7301

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Place: Chennai
Date: May 09, 2023

Redserv Global Solutions Limited
Standalone Balance Sheet as at March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	As at March 31, 2023
ASSETS		
Non-current assets		
Property, Plant and Equipment	4	458.80
Right-of-use assets	5	762.91
Other intangible assets	6	0.88
Financial assets		
Investments in subsidiaries	7	8.62
Other financial assets	8	136.85
Deferred tax assets (net)	9	74.37
Total non-current assets		**1,442.43**
Current assets		
Financial assets		
Trade receivables	11	823.64
Cash and cash equivalents	12	444.20
Loans	13	14.00
Other current assets	14	60.11
Total current assets		**1,341.95**
Total assets		**2,784.38**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	15	950.00
Other equity	16	163.61
Total equity		**1,113.61**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	17	539.15
Provisions	18	341.84
Total non-current liabilities		**880.99**
Current liabilities		
Financial liabilities		
Lease liabilities	17	214.35
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	19	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		84.08
Other current liabilities	20	420.09
Provisions	18	29.73
Current tax liabilities (net)	10	41.53
Total current liabilities		**789.78**
Total liabilities		**1,670.77**
Total equity and liabilities		**2,784.38**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date: May 09, 2023

Redserv Global Solutions Limited
Statement of Profit and Loss for the period from January 21, 2022 to March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	For the Period from January 21, 2022 to March 31,2023
Revenue from operations	21	3,510.76
Other income	22	18.90
Total income		**3,529.66**
Expenses		
Employee benefits expense	23	2,480.73
Finance costs	24	31.43
Depreciation and amortisation expense	25	245.00
Other expenses	26	546.74
Total expenses		**3,303.90**
Profit before tax		**225.76**
Tax expense		
Current tax	10	136.52
Deferred tax	9	(74.37)
Total tax expense		**62.15**
Profit for the period (A)		**163.61**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements losses on defined benefit obligations		-
Income tax relating to items that will not be subsequently reclassified to profit or loss		
Remeasurements gains/(losses) on defined benefit obligations		-
Other comprehensive income/(loss) for the year, net of tax (B)		-
Total comprehensive income for the year (A+B) Comprising (Loss)/ Profit and Other Comprehensive Income for the year		**163.61**
Earnings per equity share: (Face value ₹ 10 each)		
Basic (in ₹)	27	2.22
Diluted (in ₹)		2.22

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date: May 09, 2023

Redserv Global Solutions Limited
Statement of Cash Flows for the period from January 21, 2022 to March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	For the Period from January 21, 2022 to March 31,2023
A. Cash flow from operating activities:	
Profit for the year after tax	**163.61**
Adjustments for:	
- Income tax expense recognised in profit and loss	62.15
- Depreciation and amortisation expense	245.00
- Finance costs	31.43
- Interest income	(3.64)
- Gain on modification of leases	(1.79)
- Miscellaneous Income	(3.84)
Operating profit before working capital changes	**492.92**
(Increase) in trade receivables	(823.64)
(Increase) in other assets	(337.05)
Increase in trade payables	82.64
Increase in provisions	371.57
Increase in other liabilities	421.54
Cash generated from operations	**207.98**
Income taxes paid (net)	(12.50)
Net cash generated from operating activities	**220.48**
B. Cash flow from investing activities:	
Payment towards acquisition of property, plant and equipment	(571.72)
Interest received	3.64
Loans given to subsidiary	(14.00)
Investments in subsidiaries	(8.62)
Net cash used in investing activities	**(590.70)**
C. Cash flow from financing activities:	
Proceeds from allotment of shares	950.00
Payment of lease liabilities	(135.58)
Net cash generated from financing activities	**814.42**
Net increase in cash and cash equivalents	**444.20**
Cash and cash equivalents at January 21, 2022	**-**
Cash and cash equivalents at March 31, 2023 as per Balance sheet	**444.20**
Cash and cash equivalents at March 31, 2023 in the statement of cash flows	**444.20**
Components of cash and cash equivalents	
Balances with Banks:	
In current accounts	143.11
In Deposit account (maturing within 3 months)	300.00
Cash on hand	1.09
Cash and cash equivalents at March 31, 2023 in the statement of cash flows	**444.20**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date: May 09, 2023

Redserv Global Solutions Limited
Statement of Changes in Equity for the period January 21, 2022 to March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Equity share capital	Other Equity				Total equity
		Reserves and surplus			Items of OCI	
		Securities premium	General reserve	Surplus in the statement of profit and loss	Re-mesurement of defined benefit liability	
Balance at January 21, 2022	-	-	-	-	-	-
Add: Shares allotted during the period January 21, 2022 to March 31, 2023	950.00	-	-	-	-	**950.00**
Add: Profit for the period January 21, 2022 to March 31, 2023	-	-	-	163.61	-	**163.61**
Total comprehensive income for the period	-	-	-	-	-	-
Balance at March 31, 2023	**950.00**	-	-	**163.61**	-	**1,113.61**

See accompanying notes forming part of the standalone financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
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Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date: May 09, 2023

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

1. Company overview

Redserv Global Solutions Limited ("the Company"), incorporated on January 21, 2022, is a wholly owned subsidiary of Redington Limited (formerly Redington (India) Limited), under the provisions of the Companies Act, 2013 and has its registered office at Block 3, Plathin, Redington Tower, Inner Ring Road, Saraswathy Nagar West, 4th Street, Puzhuthivakkam, Chennai 600091, Tamil Nadu, India. The Company is engaged in the business of "Legal Process Outsourcing, Knowledge Process Outsourcing Services, Remote Infrastructure Management Center, Network Operating Center, CRM, Data Center and Other Outsourced Services".

Since the Company was incorporated on January 21, 2022, the Standalone financial statements have been prepared for the period from January 21, 2022, to March 31, 2023 and hence, comparatives are not applicable.

2. Basis of preparation of standalone financial statements

a) Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

b) Functional currency and presentation currency

The standalone financial statements are presented in 'Indian Rupees' (₹), which is the currency of the primary economic environment in which the Company operates (the functional currency).

All financial information has been rounded-off to the nearest Lakhs, unless otherwise indicated.

c) Basis of measurement

The standalone financial statements have been prepared on accrual basis under the historical cost convention except for:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined Benefit Liability	Present value of defined benefit obligation

d) Current and Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the requirement under Schedule III to be classified as current or non-current.

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REDSERV GLOBAL SOLUTIONS LIMITED

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

e) Use of estimates and judgements

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions considered in the reported amount of assets, liabilities (including contingent assets and contingent liabilities), the reported income and the expenses during the year.

The management believes that these estimates, judgements, and assumptions used in the preparation of the standalone financial statements are prudent and reasonable.

Future results could differ from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known/materialise. Estimates, judgements, and underlying assumptions are reviewed on an ongoing basis.

Key sources of judgement and estimation uncertainties at the date of the financial statements, which may cause a material adjustment to income and expenditure or the carrying amounts of assets and liabilities, are in respect of useful lives of property, plant and equipment, income taxes, Impairment of financial assets and defined benefit plan have been listed below.

i. Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful life, which is based on the technical evaluation made by the Company considering various factors including expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value.

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CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

ii. Taxation

Significant judgements are involved in determining the provision for Taxation and contingencies. Judgments are also involved on whether the tax positions are probable of being sustained in tax assessments and in determining the likelihood and magnitude of outflow of resources.

iii. Impairment of financial assets

The Company creates provision in respect of changes in expected credit losses at each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company has adopted a model as permitted under Ind AS 109 for measuring lifetime expected credit loss allowance for trade receivables and other financial assets. Expected Credit Losses is determined as the probability-weighted estimate of credit losses based on the historical credit loss experience and adjusted for forward looking information.

iv. *Defined benefit plan*

The calculation of defined benefit obligation is determined annually by a qualified actuary using the projected unit credit method as at each balance sheet date.

f) Recent accounting pronouncements

Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015; makes amendments to several Ind AS viz.- Ind AS 101 (First-time adoption of Indian Accounting Standards), Ind AS 102 (Share based payment), Ind AS 103 (Business Combinations), Ind AS 107 (Financial Instruments: Disclosures), Ind AS 109 (Financial Instruments), Ind AS 115 (Revenue from Contracts with Customers), Ind AS 1 (Presentation of Financial Statements), Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), Ind AS 12 (Income Taxes) & Ind AS 34 (Interim Financial Reporting). The company does not expect these amendments to have any significant impact in its Standalone Financial Statements.

3. Summary of significant accounting policies

a) Property, plant and equipment

Property, plant and equipment except capital work-in-progress are stated at cost, net of accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less any recognized impairment loss. Cost comprises the purchase price and other directly attributable costs of bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs including repairs and maintenance costs are charged to the statement of profit and loss as and when incurred.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

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

Depreciation on Property, plant and equipment

i. Depreciable amount of Property, plant and equipment is the cost of an asset less its estimated residual value.

ii. Property, plant and equipment is depreciated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, and is recognized in the statement of profit and loss.

iii. The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life (in years)
Plant and equipment	5
Furniture and fixtures	4
Office equipment	5
Computers	3
Vehicles	5

iv. Depreciation on additions to assets is provided from the month of addition.

v. Individual assets whose cost does not exceed ₹ 5,000/- are fully depreciated in the month of addition.

vi. The depreciation method estimated useful life and residual value are reviewed at the end of each financial year.

b) Other intangible assets

i. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and impairment losses if any.

ii. The intangible assets, that are not yet ready for their intended use are carried at cost and are reflected under intangible assets under development. Direct costs associated in developing the intangible assets are capitalized when the following criteria are met, otherwise, it is recognised in statement of profit and loss as incurred :
- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and put it to use;
- there is ability to use the intangible asset;
- there is an identifiable asset that will generate expected future economic benefits; and

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REDSERV GLOBAL SOLUTIONS LIMITED

- there is an ability to measure reliably the expenditure attributable to the intangible asset during its development.

iii. Intangible assets are amortized on straight-line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, whichever is lower. Following are the useful lives of intangible assets:

Asset	Management estimate of useful life (in years)
Software	3

iv. The estimated useful life of the intangible assets is reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern if any.

v. An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from the de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is de-recognised.

c) Impairment of property, plant and equipment, investment property and intangible assets

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount is determined for the asset or the cash-generating unit (CGU) to which the asset belongs in case the assets do not generate independent cash flows.

Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or CGU. For the purpose of impairment testing, the recoverable amount is the higher of the fair value less cost to sell and the value-in-use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset or CGU.

If such asset or CGU is considered to be impaired, the impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. An impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU on a pro-rata basis.

In respect of property, plant and equipment and intangible assets for which impairment loss has been recognised in prior periods, if any, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

d) Leases

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

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Short-term leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

e) Investments

Investments in subsidiaries and associate are accounted at cost less accumulated impairment loss, if any.

f) Business Combinations

In accordance with Ind AS 103, the Company accounts for the business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value of the net identifiable assets acquired as at the date the control is acquired (acquisition date). Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income (OCI) and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise, the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

If a business combination is achieved in stages (i.e., where the Company acquires control at a later stage), previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss or OCI, as appropriate.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved, and they appear in the consolidated financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to capital reserve.

g) Foreign currency

Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing at the date of transaction. Exchange gain/loss on settlement of foreign currency transactions are recognized in the statement of profit and loss.

All monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the end of the accounting period at the prevailing exchange rates as on the reporting date and the resulting exchange gain/loss is recognized in the standalone statement of profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in standalone statement of Profit and Loss.

h) Revenue recognition

The company derives its revenues primarily from business process management services and back-office support services.

Revenue is recognised on a cost plus basis at an agreed margin based on the underlying contractual terms and conditions entered into with its group entities.

Incase of third parties, revenue from outsourcing services are priced on the basis of time spent which is recognized as the services are completed or as and when the obligation is performed as per the contracts entered into with customers.

The Company recognizes unbilled revenue or excess billed revenue, which is included as part of other current assets/ other current liabilities as appropriate. These represent the resulting excess or short billings based on the billings already done as at each Balance Sheet date.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

i) Other income

Interest income is recognized based on an accrual basis using the effective interest rate method, wherever applicable.

j) Employee benefits

i. Short-term employee benefits

Short-term employee benefits are determined as per Company's policy/scheme on an undiscounted basis and are recognized as expense as the related services are provided. Short-term employee benefit liabilities are recognized for the amount expected to be paid, if the Company has a present legal obligation to pay, as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined-contribution plan. The Company's obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Company's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method as at each balance sheet date.

Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognized in other comprehensive income in the period in which they occur. The Company determines the net interest expenses on the net defined benefit obligation, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest expenses related to defined benefit plan are recognised in finance cost in the standalone statement of profit and loss.

iii. Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes monthly contributions towards Government administered schemes such as the provident fund and employee state insurance scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by the employees.

iv. Long-term employee benefits

The Company's obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method as at each balance sheet date.

k) Current and deferred tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

i. Current tax comprises of the expected tax payable on the taxable income for the year. The amount of current tax for the year is determined in accordance with the applicable tax rates which reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using the tax rates enacted or substantively enacted by the reporting date under the provisions of the Income Tax Act, 1961. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the corresponding amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

iii. Deferred tax is not recognized for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction.

iv. Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

v. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

vi. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l) Provisions and contingent liabilities

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

Contingent liability is disclosed for all:

i. possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (or)

ii. present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

m) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value. Other bank balances comprise amounts which are restricted in nature, held as margin money against guarantee, balances held in unpaid dividend bank accounts and unspent CSR accounts.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the nature of transactions.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

n) Earnings per share

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at average market value of the outstanding shares. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

o) Fair value measurement

Some of the Company's accounting policies or disclosures require the measurement of fair value for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the time of measurement. When measuring fair value, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The Company has an established framework with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques which are as follows:

i. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

iii. Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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REDSERV GLOBAL SOLUTIONS LIMITED ★

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an assets or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

p) Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. However, trade receivables that do not contain a significant financial component are measured at transaction price.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the standalone statement of profit and loss.

Classification and subsequent measurement

Financial assets

i. On initial recognition, a financial asset is classified as measured at
   - Amortised cost
   - Fair value through profit and loss.

ii. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit or Loss (FVTPL):
   - The asset is held within a business model whose objective is to hold assets to collect contractual flows; and
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS CHENNAI-17

REDSERV GLOBAL SOLUTIONS LIMITED

iv. Financial assets at FVTPL – These are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in statement of profit and loss.

v. Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in statement of profit and loss.

vi. Financial assets are not re-classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing its financial assets.

Financial liabilities

i. Financial liabilities are classified as measured at amortised cost or FVTPL.

ii. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in statement of profit and loss.

iii. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in statement of profit and loss. Any gain or loss on de-recognition is also recognized in statement of profit and loss.

De-recognition

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized as gain or loss in the statement of profit and loss.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Financial liabilities

The Company de-recognizes a financial liability when its contractual obligations are discharged or cancelled or gets expired. The difference between the carrying amount of the financial liability de-recognized and the sum of consideration paid and payable is recognized as gain or loss in the statement of profit and loss.

The Company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost. At each reporting date, the Company assesses whether such financial assets carried at amortised cost are credit – impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowance at an amount equal to lifetime expected credit losses except for bank balances which are measured as 12 month expected credit losses for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses.

The impairment losses and reversals are recognized in the statement of profit and loss.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The gross carrying amount of financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

4. Property, plant and equipment

₹ in Lakhs

Description	Computers	Office Equipment	Plant and equipment	Vehicles	Furniture & Fixtures	Total
Gross Carrying Value						
At January 21, 2022	-	-	-	-	-	-
Addition	131.78	0.08	-	23.05	0.36	155.27
Addition on account of transferred/BTA (refer note 30 & 31)	355.69	37.51	4.97	8.46	8.09	414.72
Disposal	-	-	-	-	-	-
At March 31, 2023	**487.47**	**37.59**	**4.97**	**31.51**	**8.45**	**569.99**
Accumulated depreciation						
At January 21, 2022	-	-	-	-	-	-
Charge for the period from January 21, 2022 to March 31, 2023						
On addition	30.45	0.01	-	2.92	0.08	33.46
On assets transferred /acquired on BTA (refer note 30 & 31)	64.16	4.34	2.07	1.34	5.82	77.73
On disposal	-	-	-	-	-	-
At March 31, 2023	**94.61**	**4.35**	**2.07**	**4.26**	**5.90**	**111.19**
Net Carrying value	392.86	33.24	2.90	27.25	2.55	458.80
At January 21, 2022	-	-	-	-	-	-
At March 31, 2023	**392.86**	**33.24**	**2.90**	**27.25**	**2.55**	**458.80**

5. Right-of-use assets

The Company leases assets in the nature of immovable property.

The summary of the movement of right-of-use assets for the period ended March 31, 2023, is given below:

₹ in Lakhs

Buildings	**March 31, 2023**
Opening Balance as on January 21, 2022	-
Additions to right-of-use assets	895.87
Amortization charge for the period from January 21, 2022 to March 31, 2023	132.96
De-recognition of right-of-use-assets	-
Balance as at March 31, 2023	**762.91**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

6. Other intangible Assets

₹ in Lakhs

Description	Software	Total
Gross Carrying Value		
At January 21, 2022	-	-
Addition	0.47	0.47
Addition on account of transferred/BTA (refer note 30 & 31)	1.26	1.26
Disposal	-	-
At March 31, 2023	**1.73**	**1.73**
Accumulated Amortization		
At January 21, 2022		
Charge for the period from January 21, 2022 to March 31, 2023		
On Addition	0.11	0.11
On assets transferred /acquired on BTA (refer note 30 & 31)	0.74	0.74
On Disposal	-	-
At March 31, 2023	**0.85**	**0.85**
Net Carrying value	0.88	0.88
At January 21, 2022	-	-
At March 31, 2023	**0.88**	**0.88**

7. Investment in subsidiaries

Unquoted investments (at cost)

Investment in Indian subsidiary

₹ in Lakhs

Name of the entity	March 31, 2023
1,00,000 equity shares of ₹ 8.62/- each fully paid-up in Redserv Business Solutions Private Limited	8.62
Total	**8.62**
Aggregate value of unquoted investment	**8.62**
Aggregate amount of impairment in value of investment	**-**

During the period, the Company acquired Redserv Business Solutions Private Limited from Redington Gulf FZE on July 01, 2022 for a consideration of ₹ 8.62 Lakhs, based on the Independent Valuation Report.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

8. Other financial assets

₹ in Lakhs

Particulars	March 31, 2023
Unsecured, considered good	
Security deposits	136.85
Total	**136.85**

9. Deferred tax assets (net)

Recognized deferred tax assets (net)

₹ in Lakhs

Particulars	March 31, 2023
Deferred Tax Assets / (Deferred Tax Liabilities)	
Provision for gratuity	69.32
Provision for compensated absences	19.33
Leases (net)	5.84
Depreciation	(18.73)
Preliminary expenses	(1.39)
Total	**74.37**

Movement in temporary differences

For the Period ended March 31, 2023

₹ in Lakhs

Particulars	Balance as on January 21, 2022	Recognised in the statement of profit and loss	Recognised in the other comprehensive income	Balance as on March 31, 2023
Deferred tax assets (net)				
Provision for gratuity	-	69.32	-	69.32
Provision for compensated absences	-	19.33	-	19.33
Leases (net)	-	5.84	-	5.84
Depreciation	-	(18.73)	-	(18.73)
Preliminary expenses	-	(1.39)	-	(1.39)
Total	**-**	**74.37**	**-**	**74.37**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

10. Income taxes

₹ in Lakhs

Particulars	March 31, 2023
Current tax liabilities	136.52
Income tax assets	(94.99)
Total	**41.53**

Movement in income tax assets (net)

₹ in Lakhs

Particulars	March 31, 2023
Balance at the beginning of the year	-
Add: Taxes paid / (net of refunds)	94.99
Balance at the end of the year	**94.99**

Movement in current tax liabilities (net)

₹ in Lakhs

Particulars	March 31, 2023
Balance at the beginning of the year	-
Add: Provision during the year	136.52
Balance at the end of the year	**136.52**

Tax expense recognized during the period

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023	
	Recognised in the statement of profit and loss	Recognised in the other comprehensive income
Current tax	136.52	-
Deferred tax	(74.37)	-
Total tax expenses	**62.15**	-

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Reconciliation of effective tax rate

₹ in Lakhs

Particulars	January 21, 2022 to March 31, 2023	January 21, 2022 to March 31, 2023
	Effective Tax	Tax Expenses
Profit before tax		225.76
Income tax expense	25.17%	56.82
Effect of non-deductible expense	1.13%	2.56
Effect of other items	1.23%	2.77
Income tax expense recognized in statement of profit and loss	27.53%	**62.15**

During the period, the Company elected to exercise the option of reduced income-tax rates permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

11. Trade receivables

₹ in Lakhs

Particulars	March 31, 2023
Unsecured	
Considered good*	823.64
Total	**823.64**

*Refer note 35(c) for the balance receivable from related parties.

Major customers

Trade receivable from customers that individually constituted more than 10% of the Company's trade receivable are as follows:

₹ in Lakhs

Particulars	March 31, 2023
Customer A	377.97
Customer B	406.68
Total	**784.65**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS CHENNAI-17

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

Ageing of trade receivables

The ageing has been derived from the due date of the Payment, where there is no due date for payment, date of transaction has been considered.

March 31, 2023 ₹ in Lakhs

Particulars	Less than 6 months	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Undisputed						
Considered good	823.64	-	-	-	-	823.64
Having significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Having significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**823.64**	-	-	-	-	**823.64**

12. Cash and cash equivalents

₹ in Lakhs

Particulars	March 31, 2023
Cash on hand	1.09
Bank balances	143.11
In deposit account (maturing within 3 months)	300.00
Cash and cash equivalents as per Balance Sheet	**444.20**
Cash and cash equivalents as per the statement of cash flows	**444.20**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

13. Loans

₹ in Lakhs

Particulars	March 31, 2023
Unsecured, considered good	
Loans to related parties	
Redserv Business Solutions Private Limited	14.00
Total	**14.00**

The above loans were given for working capital purposes.

₹ in Lakhs

Type of borrower	Amount of loan or advance outstanding	Percentage to the total loans and advances in the nature of loans
Related Parties		
Subsidiary	14.00	100%
Total	**14.00**	**100%**

14. Other current assets

₹ in Lakhs

Particulars	March 31, 2023
Unsecured, considered good	
Advance to employees	4.81
Prepaid Expenses	54.51
Interest Accrued	0.54
Others	0.25
Total	**60.11**

15. Equity share capital

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-.

₹ in Lakhs

Particulars	March 31, 2023
Authorized capital 1,00,00,000 Equity Shares of Rs. 10/- each	1,000.00
Issued, subscribed, and fully paid up 95,00,000 Equity Shares of Rs. 10/- each fully paid up	950.00

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Reconciliation of the number of shares outstanding and amount of share capital at the beginning and at the end of the period

Particulars	For the period from January 21, 2022 to March 31, 2023	
	No of shares	₹ in Lakhs
At the beginning of the period	-	-
Add: Allotment of shares during the period	95,00,000	950.00
Outstanding at the end of the period	**95,00,000**	**950.00**

Terms/rights attached to equity share

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

Details of shares held by shareholders holding more than 5 % of the paid-up equity capital

Particulars	March 31, 2023	
	No of shares held	% of Share holding
Redington Limited (formerly known as Redington (India) Limited)	95,00,000	100

Statement showing shares held by promoters

Promoter name	March 31, 2023	
	No. Of Shares	% of total shares
Redington Limited (formerly Redington (India) Limited) including its nominees	95,00,000	100

16. Other equity

Surplus in the statement of profit and loss

₹ in Lakhs

Particulars	March 31, 2023
Opening balance	-
Add: Profit for the period	163.61
Balance at the end of the period	**163.61**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

17. Lease liabilities

The company recognized lease liabilities measured at the present value of remaining lease payments.

₹ in Lakhs

Particulars	March 31, 2023
Current	214.35
Non-current	539.15
Total	**753.50**

18. Provisions

Non-current provision

₹ in Lakhs

Particulars	March 31, 2023
Compensated absences	73.25
Gratuity	268.59
Total	**341.84**

Current provision

₹ in Lakhs

Particulars	March 31, 2023
Compensated absences	14.70
Gratuity	15.03
Total	**29.73**

Gratuity (included as part of employee benefits expense in note 23)

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

Reconciliation of present value of defined benefit obligation

₹ in Lakhs

Particulars	January 21, 2022 to March 31, 2023
Defined benefit obligation at the beginning of the year	
Current service cost	72.47
Interest cost	-
Actuarial (gain) / loss recognised in other comprehensive income	-
Benefits paid	(8.20)
Provisions recognised / (disposed) on acquisition / disposal of subsidiaries	-
Liability assumed in a business combination	219.35
Defined benefit obligation at the end of the year	**283.62**
Current	**15.03**
Non-current	**268.59**

Principal actuarial assumptions for gratuity

Particulars	As at March 31, 2023
Discount rate	7.53%
Salary escalation rate	8.00%
Attrition rate	15.00%
Weighted average duration of defined benefit obligation	11.13 years
Demographic assumptions – Mortality	IALM 2012-2014 Ultimate

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

a. Sensitivity analysis

The Company applies 1% as the sensitivity rate while ascertaining the impact of change in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation.

Following is the effect on defined benefit obligation:

₹ in Lakhs

	March 31, 2023
Increase of 1% in assumptions	**Increase/ (Decrease)**
Discount rate	(15.09)
Salary escalation rate	17.07
Attrition rate	(2.15)
Decrease of 1% in assumptions	**Increase/ (Decrease)**
Discount rate	17.67
Salary escalation rate	(14.82)
Attrition rate	2.35

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

b. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company borrow funds to meet its short-term requirements which are at fixed interest rates and the Company's borrowings are minimal. Hence there is no exposure to any significant interest rate risk.

c. Credit risk management

Credit risk is the risk that the counterparty will not meet its obligations under the customer contract, leading to a financial loss. The Group is exposed to credit risk from its sale to customers on credit. The carrying value of financial assets represents the maximum amount of credit risk.

The Group mitigates credit risk by strict receivable management, procedures, and policies. The Group has a dedicated independent team to review credit and monitor collection of receivables. Credit insurance is resorted to for most of the receivables and in such cases the credit risk is restricted to the receivable value which is not covered.

19. Trade Payables

₹ in Lakhs

Particulars	March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	
i. Trade payables towards related parties	26.91
ii. Trade payables towards others	57.17
Total	**84.08**

Ageing of Trade Payables

March 31, 2023 ₹ in Lakhs

Particulars	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Unbilled dues					
a. MSME	-	-	-	-	-
b. Others	84.08	-	-	-	84.08
c. Disputed dues – MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-
Total	**84.08**	**-**	**-**	**-**	**84.08**

20. Other current liabilities

₹ in Lakhs

Particulars	March 31, 2023
Statutory liabilities payable	140.37
Employee payable	22.68
Bonus and variable payables	225.36
Other Liabilities	31.68
Total	**420.09**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

21. Revenue from operations

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Revenue from Rendering of services	3,510.76
Total	**3,510.76**

a. Geographic Information

The geographic information analyses the company's revenue by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been determined based on the geographic location of customers.

Particulars	For the period from January 21, 2022 to March 31, 2023
India	2,556.94
Overseas	953.82
Total	**3,510.76**

b. Major Customers

Revenue from Customers that individually constituted more than 10% of the Company's revenue as follows:

Particulars	For the period from January 21, 2022 to March 31, 2023
Customer A	2,535.66
Customer B	923.96
Total	**3,459.62**

22. Other income

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Interest income from fixed deposits	3.10
Income from short term investments	0.54
Miscellaneous Income	15.26
Total	**18.90**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

23. Employee benefits expense

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Salaries and bonus	2,111.58
Contribution to provident funds	125.22
Contribution to other funds	84.59
Gratuity (refer note 18)	72.47
Staff welfare expenses	86.87
Total	**2,480.73**

24. Finance costs

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Interest on lease liabilities	31.43
Total	**31.43**

25. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Depreciation of property, plant and equipment (refer note 4)	111.19
Depreciation of right-of-use assets (refer note 5)	132.96
Amortisation of intangible assets (refer note 6)	0.85
Total	**245.00**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

26. Other expenses

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Lease Rent (refer note 33)	25.31
Repairs and Maintenance	29.50
Software subscription	73.00
Preliminary expenses	9.22
Rates and taxes	0.69
Auditors' remuneration (refer details below)	8.00
Insurance	71.00
Communication expense	86.68
Conveyance expense	37.72
Consultancy Expense	122.68
Miscellaneous expenses	82.94
Total	**546.74**

Auditor's Remuneration

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
As auditor	
Statutory audit	7.25
Tax audit	0.75
Total remuneration	**8.00**

27. Earnings per equity share

Particulars	For the period from January 21, 2022 to March 31, 2023
Profit after tax (₹ in Lakhs)	163.61
Weighted average number of equity shares (Basic)	73,85,057
Earnings per share- Basic ₹	2.22
Weighted average number of equity shares (Diluted)	73,85,057
Earnings per share- Diluted ₹	2.22
Face Value per share in ₹	10

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

28. Lease expenses

The details of expenses are summarized below:

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Interest on lease liabilities (Included as part of finance cost)	31.43
Depreciation of right-of-use assets (Included as part of depreciation and amortization expenses)	132.96
Expenses relating to short-term leases and termination of leases (Included as part of other expenses)	25.31
Gain on modification of leases (Included as part of other income)	1.78

Amounts recognised in statement of cash flows

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Total cash outflow for leases	135.58

29. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities:

March 31, 2023		Carrying value of financial Assets		
Particulars	**Note reference**	**Amortised cost**	**FVTPL – others**	**Total carrying amount**
Financial assets not measured at fair value				
Trade receivables	Note 11	823.64	-	823.64
Cash and cash equivalents	Note 12	444.20	-	444.20
Loans	Note 13	14.00	-	14.00
Security Deposit	Note 8	136.85	-	136.85
Total		**1,418.69**	**-**	**1,418.69**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

March 31, 2023		Carrying value of financial liability		
Particulars	Note reference	Amortised cost	FVTPL – others	Total carrying amount
Financial liabilities not measured at fair value				
Trade Payable	Note 19	84.08	-	84.08
Lease liability	Note 17	753.50	-	753.50
Total		**837.58**	**-**	**837.58**

Investment in subsidiaries of ₹ 8.62 Lakhs (refer note 7) is accounted at cost less impairment.

30. The Company has entered into a Business Transfer Arrangement ('BTA') with Redington Gulf FZE for transfer of shared services Business from Redington Gulf FZE (India) Branch ('Branch') and after necessary statutory approvals from Unit Approval Committee ('UAC') Authority and the transfer is effective from January 01, 2023, for which the company paid a consideration of Rs. 152.55 Lakhs based on the Independent Valuation.

Particulars	Amount
Net book value of assets and liabilities recognized as a result of business combination	
Assets	
Property, plant and equipment	233.65
Other intangible assets	1.26
Deposits	106.56
Loans & advance	4.81
Other assets	46.08
Total assets acquired (a)	**392.36**
Liabilities	
Provisions	171.56
Employee payables	60.25
Other payables	8.00
Total liabilities acquired (b)	**239.81**
Net assets acquired (a-b)	**152.55**

31. During the period January 21, 2022 to March 31, 2023 Redington limited (formerly known as Redington (India) limited) have transferred to the company its 171 employees and Property, Plant and Equipment to the tune of Rs. 179.70 Lakhs based on an Independent Valuation.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

32. Financial risk management

The Company's activities expose it to financial risks such as liquidity risk. The Company's senior management oversees the management of these risks. The senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is primary on account of receipt in foreign exchange for rendering services.

Details of derivative exposures are as under:

	March 31, 2023	
	$ in Lakhs	**₹ in Lakhs**
Receivables – Other financial assets:		
Foreign currency exposure – unhedged	5.86	462.34

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 has built an appropriate liquidity risk management framework for its short, medium, and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and un-availed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities:

₹ in Lakhs

Particulars of financial liabilities	March 31, 2023	
	Carrying amount	Cash outflow
Non-derivative financial liabilities		
> 1 year		
Lease liabilities	539.15	589.73
< 1year		
Trade payables	84.08	84.08
Lease liabilities	214.35	261.87

33. Operating leases

Leases as Lessee

The Company has taken on lease of office under cancelable operating leases. The leases are for vary periods, which are renewable at the option of the company. Amount recognized in statement of profit and loss as lease rent of Rs. 25.31 Lakhs.

34. Financial ratios

Particulars	Period ended March 31, 2023
Current ratio	1.70
Debt-equity ratio	NA
Debt service coverage ratio	NA
Inventory turnover ratio	NA
Trade receivables turnover ratio	4.26
Trade payables turnover ratio	6.50
Net capital turnover ratio	4.75
Net profit %	4.66%
Return on equity %	17.38%
Return on capital employed (Net of cash) %	44.64%
Return on capital employed (Gross) %	23.76%
Return on investment %	17.22%

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

Formulas for above ratios:

a. Current ratio = Current assets / current liabilities
b. Debt equity ratio = (Total Debt - Cash and cash equivalents) / (Total equity - Investments in subsidiaries)
c. Debt service coverage ratio = (Profit before tax + Interest expenses) / (Interest expenses + Repayment of long-term loans during the year)
d. Inventory turnover ratio = Revenue from operations / Average inventories*
e. Trade receivables turnover ratio = Revenue from operations / Average trade receivables*
f. Trade payables turnover ratio = Other Expenses / Average trade payables*
g. Net capital turnover ratio = Revenue from operations / (Average inventories + Average trade receivables – Average trade payables) *
h. Net profit % = Net profit (Profit after Tax) / Revenue from operations
i. Return on equity % = Profit after tax / (Average equity *– Investments in subsidiaries)
j. Return on capital employed (Net of cash) % = (Profit before tax + Interest expenses) / (Closing capital employed – cash and cash equivalents) where Capital employed = Equity + Borrowings.
k. Return on capital employed (Gross) % = (Profit before tax + Interest expenses) / Closing capital employed
l. Return on investment % = Net operating profit after tax / Average capital employed*

*Since this been the first year of the Company, closing balance are considered for ratio.

35. Related party disclosures (As per Ind AS 24 "*Related party disclosures*")

a. Remuneration to Key Management Personnel ('KMP')

Mr. Deepak Puligadda, Chief Executive Officer (Appointed w.e.f. August 18, 2022)

b. Names of the related parties

Holding company	Redington Limited (formerly Redington (India) Limited)
Subsidiary	Redserv Business Solution Private limited
Fellow Subsidiary	Redington Gulf FZE
Fellow Subsidiary	Proconnect Supply Chain Solution Limited
Fellow Subsidiary	Redington Distribution PTE Limited

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REDSERV GLOBAL SOLUTIONS LIMITED

Redserv Global Solutions Limited

Notes to the Standalone financial statements for the period from January 21, 2022 to March 31, 2023

c. Nature of Transactions

Nature of Transactions	**For the period from January 21, 2022 to March 31, 2023**
Redington Limited (formerly Redington (India) Limited)	**Holding Company**
Service Income	2,535.66
Property, Plant and Equipment	179.70
Lease rent – expenses	3.89
Amount receivable at period end	377.97
Redserv Business Solutions Private limited	**Subsidiary**
Loan	14.00
Interest income	0.54
Redington Gulf FZE	**Fellow Subsidiary**
Service income	923.96
Amount receivable at period end	406.68
Proconnect Supply Chain Solution Limited	**Fellow Subsidiary**
Rental expenses	23.43
Amount payable at period end	26.91
Redington Distribution PTE Limited	**Fellow Subsidiary**
Service income	29.86
Amount receivable at period end	29.86

d. Remuneration to Key managerial personnel

Nature of transactions	**For the period from January 21, 2022 to March 31, 2023**
Salaries and bonus	79.54
Contribution to provident fund	4.17
Total remuneration	**83.71**

Provision for gratuity and compensated absences are based on an actuarial valuation performed on an overall Company basis and hence excluded above.

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REDSERV GLOBAL SOLUTIONS LIMITED

36. Additional regulatory information

The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.

The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or (b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 from or on behalf of the Ultimate Beneficiaries.

The Company has not traded or invested in crypto currency or virtual currency during the year.

The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

Being the first year of incorporation, Corporate Social Responsibility ('CSR') is not applicable.

The company does not have transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

The operations of the company relate to only one segment which is Outsourced manpower costs . The geographical segments considered for disclosure are – India and Overseas. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED

The Company neither has any immovable property nor any title deeds of Immovable Property not held in the name of the Company.

During the period, the Company has not revalued any of its Property, Plant and Equipment, Right of Use Asset, and Intangible Assets.

37. These standalone financial statements were approved for issue by the Board of Directors on May 09, 2023.

for **and on behalf of the Board of Directors**

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place: Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells

Chartered Accountants
ASV N Ramana Tower
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Tamil Nadu, India

Tel: +91 44 6688 5000
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INDEPENDENT AUDITOR'S REPORT

To The Members of Redserv Global Solutions Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Redserv Global Solutions Limited** (the "Parent") and its subsidiary, (the Parent and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the period from January 21, 2022 to March 31, 2023 then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules 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 obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's report, but does not include the consolidated financial statements, standalone 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, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditor and, 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. Other information so far as it relates to the subsidiary, is traced from their financial statements audited by the other auditor.

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CHENNAI-17
CHARTERED ACCOUNTANTS

- 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent'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 consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities 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 financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

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

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

- 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

Other Matters

We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of Rs. 12.17 lakhs as at March 31, 2023, total revenues of Rs. 15.35 lakhs and net cash outflows amounting to Rs. 8.44 lakhs for the period ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on the separate financial statements of the subsidiary referred to in the Other Matters section above 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 financial statements.

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★ CHENNAI-17 ★
CHARTERED ACCOUNTANTS

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on April 1, 2023 taken on record by the Board of Directors of the Company and the report of the statutory auditor of subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.

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

   In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's report of subsidiary company, the remuneration paid by the Parent and such subsidiary company to their respective directors during the period from January 21, 2022 to March 31, 2023 is in accordance with the provisions of section 197 of the Act.

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

   i) There were no pending litigations which would impact the consolidated financial position of the Group.

   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 Parent and its subsidiary company.

   iv) (a) The respective Managements of the Parent and its subsidiary, have represented to us that, to the best of their 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 Parent or its subsidiary, 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Parent and its subsidiary have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or its subsidiary shall, 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.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our or other auditor's notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiary have not declared or paid any dividend during the period and have not proposed final dividend for the period.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiary, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the period ended March 31, 2023.

2. With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditor of subsidiary company included in the consolidated financial statements, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said respective companies included in the consolidated financial statements.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)
(UDIN: 23209252BGXMJT1217)

Place: Chennai
Date: May 9, 2023

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements 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 financial statements of the Company as of and for the period from January 21, 2022 to March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Redserv Global Solutions Limited** (hereinafter referred to as "Parent") and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent and its subsidiary company is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies 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 (the "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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary company.

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Deloitte
Haskins & Sells

Meaning of Internal Financial Controls with reference to consolidated financial statements

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

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, and based on the considerations of the report of the other auditor referred to in the Other Matters paragraph below, the Parent and its Subsidiary company, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal control with reference to consolidated financial statements established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary company, is based solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Ananthi

Ananthi Amarnath
Partner
(Membership No. 209252)
(UDIN: 23209252BGXMJT1217)

Place: Chennai
Date: May 9, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

Redserv Global Solutions Limited
Consolidated Balance Sheet as at March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	As at March 31, 2023
ASSETS		
Non-current assets		
Property, Plant and Equipment	4	461.34
Right-of-use assets	5	762.91
Other intangible assets	6	0.88
Financial assets		
Other financial assets	7	137.16
Deferred tax assets (net)	8	74.37
Total non-current assets		**1,436.66**
Current assets		
Financial assets		
Trade receivables	10	829.39
Cash and cash equivalents	11	446.42
Other current assets	12	59.57
Total current assets		**1,335.38**
Total assets		**2,772.04**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	13	950.00
Other equity	14	149.60
Total equity		**1,099.60**
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Lease liabilities	15	539.15
Provisions	16	341.84
Total non-current liabilities		**880.99**
Current liabilities		
Financial liabilities		
Lease liabilities	15	214.35
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	17	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		86.99
Other current liabilities	18	420.22
Provisions	16	29.73
Current tax liabilities (net)	9	40.16
Total current liabilities		**791.45**
Total liabilities		**1,672.44**
Total equity and liabilities		**2,772.04**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date: May 09, 2023

Redserv Global Solutions Limited
Consolidated Statement of Profit and Loss for the period January 21, 2022 to March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Note No.	For the Period from January 21, 2022 to March 31, 2023
Revenue from operations	19	3,526.11
Other income	20	22.63
Total income		**3,548.74**
Expenses		
Employee benefits expense	21	2,506.85
Finance costs	22	33.24
Depreciation and amortisation expense	23	248.47
Other expenses	24	551.54
Total expenses		**3,340.10**
Profit before tax		**208.64**
Tax expense	9	
Current tax	8	136.52
Deferred tax		(74.37)
Total tax expense		**62.15**
Profit for the period (A)		**146.49**
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Remeasurements losses on defined benefit obligations		-
Income tax relating to items that will not be subsequently reclassified to profit or loss		
Remeasurements gains/(losses) on defined benefit obligations		-
Other comprehensive income/(loss) for the year, net of tax (B)		-
Total comprehensive income for the year (A+B) Comprising (Loss)/ Profit and Other Comprehensive Income for the year		**146.49**
Earnings per equity share: (Face value ₹ 10 each)		
Basic (in ₹)	25	1.99
Diluted (in ₹)		1.99

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date : May 09, 2023

Redserv Global Solutions Limited
Consolidated Statement of Cash Flows for the period from January 21, 2022 to March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	**For the Period from January 21, 2022 to March 31, 2023**
A. Cash flow from operating activities:	
Profit for the year after tax	**146.49**
Adjustments for:	
- Income tax expense recognised in statement of profit and loss	62.15
- Depreciation and amortisation expense	248.47
- Finance costs	33.24
- Interest income	(3.64)
- Gain on modification of leases	(1.78)
- Miscellaneous Income	(3.83)
Operating profit before working capital changes	**481.10**
(Increase) in trade receivables	(809.02)
(Increase) in other assets	(329.26)
Increase in trade payables	79.75
Increase in provisions	365.59
Increase in other liabilities	399.18
Cash generated from operations	**187.34**
Income taxes paid (net)	(12.50)
Net cash generated from operating activities	**199.84**
B. Cash flow from investing activities:	
Payment towards acquisition of property, plant and equipment	(571.72)
Interest received	3.64
Investments in subsidiaries (net of cash and cash equivalents acquired)	2.05
Net cash used in investing activities	**(566.03)**
C. Cash flow from financing activities:	
Proceeds from allotment of shares	950.00
Interest paid	(1.81)
Payment of lease liabilities	(135.58)
Net cash generated from financing activities	**812.61**
Net increase in cash and cash equivalents	**446.42**
Cash and cash equivalents at January 21, 2022	-
Cash and cash equivalents at March 31, 2023	**446.42**
Reconciliation of cash and cash equivalents	
Cash and cash equivalents at March 31, 2023 as per Balance sheet	**446.42**
Cash and cash equivalents at March 31, 2023 in the statement of cash flows	**446.42**
Components of cash and cash equivalents	
Balances with Banks:	
In current accounts	145.32
In Deposit account (maturing within 3 months)	300.00
Cash on hand	1.10
Cash and cash equivalents at March 31, 2023 in the statement of cash flows	**446.42**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No. 209252

Place : Chennai
Date : May 09, 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN : 03568897

S V Krishnan
Director
DIN : 07518349

Deepak Puligadda
Chief Executive Officer

Place : Chennai
Date : May 09, 2023

Redserv Global Solutions Limited
Statement of Changes in Equity for the period January 21, 2022 to March 31, 2023
All amounts in Lakhs of Indian Rupees (₹) except share data and as otherwise stated

Particulars	Equity share capital	Other Equity				Total equity
		Reserves and surplus			Items of OCI	
		Securities premium	Capital Reserve	Surplus in the statement of profit and loss	Re-measurement of defined benefit liability	
Balance at January 21, 2022	-	-	-	-	-	-
Add: Shares allotted during the period January 21, 2022 to March 31, 2023	950.00	-	-	-	-	**950.00**
Add: Profit for the period January 21, 2022 to March 31, 2023	-	-	-	146.49	-	**146.49**
Add: On account of acquisition of subsidiary	-	-	3.11	-	-	**3.11**
Total comprehensive income for the period	-	-	-	-	-	-
Balance at March 31, 2023	**950.00**	**-**	**3.11**	**146.49**	**-**	**1,099.60**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached
for **Deloitte Haskins & Sells**
Chartered Accountants
Firm's Registration No. 008072S

Ananthi Amarnath
Partner
Membership No.: 209252

Place : Chennai
Date : May 09, 2023

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

for and on behalf of the Board of Directors

Rajiv Srivastava
Director
DIN: 03568897

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Chief Executive Officer

Place : Chennai
Date : May 09, 2023

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

1. Background

Redserv Global Solutions Limited ("the Company") incorporated on January 21, 2022 is a wholly owned subsidiary of Redington Limited (formerly Redington (India) Limited) ("Redington"). These consolidated financial statements comprise the Company and its one subsidiary namely Redserv Business Solution Private Limited (collectively referred to as the "Group"). The Company is engaged in the business of "Legal Process Outsourcing, Knowledge Process Outsourcing Services, Remote Infrastructure Management Center, Network Operating Center, CRM, Data Center and Other Outsourced Services".

Since the Company was incorporated on January 21, 2022, the Consolidated financial statements have been prepared for the period from January 21, 2022, to March 31, 2023 and hence, comparatives are not applicable.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These consolidated financial statements were authorised for issue by the Group's Board of Directors on May 09, 2023.

Details of the Group's accounting policies are included in Note 3.

b) Functional currency and presentation currency

The consolidated financial statements are presented in 'Indian Rupees' (₹), which is also the Company's and Subsidiary's functional currency.

All financial information has been rounded-off to the nearest lakhs, unless otherwise indicated.

c) Basis of measurement

The consolidated financial statements have been prepared on accrual basis under the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Defined Benefit Liability	Present value of defined benefit obligation

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

d) Current and Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on the requirement under Schedule III to be classified as current or non-current.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

e) Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions considered in the reported amount of assets, liabilities (including contingent assets and contingent liabilities), the reported income and the expenses during the year.

The management believes that these estimates, judgements, and assumptions used in the preparation of the consolidated financial statements are prudent and reasonable.

Future results could differ from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise. Estimates, judgements, and underlying assumptions are reviewed on an ongoing basis.

Key sources of judgement and estimation uncertainties at the date of the financial statements, which may cause a material adjustment to income and expenditure or the carrying amounts of assets and liabilities, are in respect of revenue recognition, useful lives of property, plant and equipment, income taxes, Impairment of financial assets and defined benefit plan have been listed below.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS CHENNAI

i. Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated over the estimated useful life, which is based on the technical evaluation made by the Company considering various factors including expected usage of the asset, expected physical wear and tear, the repair and maintenance program and technological obsolescence arising from changes and the residual value.

ii. Taxation

Significant judgements are involved in determining the provision for Taxation and contingencies. Judgments are also involved on whether the tax positions are probable of being sustained in tax assessments and in determining the likelihood and magnitude of outflow of resources.

iii. Impairment of financial assets

The Company creates provision in respect of changes in expected credit losses at each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Company has adopted a model as permitted under Ind AS 109 for measuring lifetime expected credit loss allowance for trade receivables and other financial assets. Expected Credit Losses is determined as the probability-weighted estimate of credit losses based on the historical credit loss experience and adjusted for forward looking information.

iv. Defined benefit plan

The calculation of defined benefit obligation is determined annually by a qualified actuary using the projected unit credit method as at each balance sheet date.

f) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established framework with respect to the measurement of fair values. The Group regularly reviews significant unobservable inputs and valuation adjustments. If third party information, is used to measure fair values, then the Group assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfer between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

g) Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015; makes amendments to several Ind AS viz.- Ind AS 101 (First-time adoption of Indian Accounting Standards), Ind AS 102 (Share based payment), Ind AS 103 (Business Combinations), Ind AS 107 (Financial Instruments: Disclosures), Ind AS 109 (Financial Instruments), Ind AS 115 (Revenue from Contracts with Customers), Ind AS 1 (Presentation of Financial Statements), Ind AS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), Ind AS 12 (Income Taxes) & Ind AS 34 (Interim Financial Reporting). The company does not expect these amendments to have any significant impact in its Consolidated Financial Statements.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

3. Significant accounting policies

a) Basis of consolidation

I. Business combinations

Business combinations (other than common control business combinations) on or after April 01, 2015

The Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, retrospectively to those business combinations that occurred on or after April 01, 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value of net identifiable assets acquired as at the date the control is acquired (acquisition date). Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Acquisition related costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently, and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. The determination of the amount to be included in consideration transferred is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit and loss or OCI, as appropriate.

Business combinations (other than common control business combinations) before April 01, 2015

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

II. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those retuns through its power over the entity. The financial statements of subsidiareis are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

III. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

IV. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Group, at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

c) Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement

Financial assets

i. On initial recognition, a financial asset is classified as measured at
   - Amortised cost; (or)
   - FVTPL

ii. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

iii. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
   - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iv. All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

v. Financial assets at FVTPL – These are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in the statement of profit and loss.

vi. Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in the statement of profit and loss.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

vii. Financial assets are not re-classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing its financial assets.

Financial liabilities

i. Financial liabilities are classified as measured at amortised cost or FVTPL.

ii. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit and loss.

iii. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognized in the statement of profit and loss. Any gain or loss on de-recognition is also recognized in the statement of profit and loss.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit - impaired. A financial asset is 'credit - impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit - impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- Bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit lossess is the maximum contractual period over which the Group is exposed to credit risk.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward - looking information.

The Group considers a financial asset to be in default when:
- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held)
- The financial asset is 365 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

d) Property, plant and equipment

Property, plant and equipment except capital work-in-progress are stated at cost, net of accumulated depreciation and impairment losses, if any. Capital work-in-progress is stated at cost less any recognised impairment loss. Cost comprises the purchase price and other directly attributable costs of bringing the assets to its working condition for the intended use. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other costs including repairs and maintenance costs are charged to the statement of profit and loss as and when incurred.

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

Depreciation on Property, plant and equipment

i. Depreciable amount of Property, plant and equipment is the cost of an asset less its estimated residual value.

ii. Property, plant and equipment is depreciated on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company and is recognised in the statement of profit and loss.

iii. The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life (in years)
Plant and equipment	5
Furniture and fixtures	4
Office equipment	5
Computers	3
Vehicles	5

iv. Depreciation on additions to assets is provided from the month of addition.

v. Individual assets whose cost does not exceed ` ₹ 5,000/- are fully depreciated in the month of addition.

vi. The depreciation method estimated useful life and residual value are reviewed at the end of each financial year.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

e) Other intangible assets

i. Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and impairment losses if any.

ii. The intangible assets, that are not yet ready for their intended use are carried at cost and are reflected under intangible assets under development. Direct costs associated in developing the intangible assets are capitalized when the following criteria are met, otherwise, it is recognised in the statement of profit and loss as incurred:
- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and put it to use;
- there is ability to use the intangible asset;
- there is an identifiable asset that will generate expected future economic benefits; and
- there is an ability to measure reliably the expenditure attributable to the intangible asset during its development.

iii. Intangible assets are amortized on straight-line basis over the useful life prescribed in Schedule II to the Companies Act, 2013 or technical estimate made by the Company, whichever is lower. Following are the useful lives of intangible assets:

Asset	Management estimate of useful life (in years)
Software	3

iv. The estimated useful life of the intangible assets is reviewed at the end of each financial year and the amortization method is revised to reflect the changed pattern if any.

An intangible asset is de-recognised on disposal or when no future economic benefits are expected from its use. Gains or losses arising from the de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the statement of profit and loss when the asset is de-recognised.

f) Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and employees state insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods.

The Group's gratuity plan is unfunded. Defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method at each balance sheet date. The defined benefit obligation is determined as the present value of the estimated future cash flows expected to be made by the Group in respect of services rendered by its employees upto the reporting date.

Remeasurements of the defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Group determines the interest expense on the defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then defined benefit liability. Interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss under finance costs and employee benefit expenses respectively.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in the statement of profit and loss in the period in which they arise.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

g) Revenue recognition

The company derives its revenues primarily from business process management services and back-office support services.

Revenue is recognised on a cost plus basis at an agreed margin based on the underlying contractual terms and conditions entered into with its group entities.

Incase of third parties, revenue from outsourcing services are priced on the basis of time spent which is recognized as the services are completed or as and when the obligation is performed as per the contracts entered into with customers.

The Company recognizes unbilled revenue or excess billed revenue, which is included as part of other current assets/ other current liabilities as appropriate. These represent the resulting excess or short billings based on the billings already done as at each Balance Sheet date.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

h) Other income

Interest income is recognized based on an accrual basis using the effective interest rate method, wherever applicable.

i) Leases

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

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The lease liability is measured at amortised cost using the Risk-free rate. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Short-term leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

j) Current and deferred tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

i. Current tax comprises of the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of current tax for the year is determined in accordance with the applicable tax rates which reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using the tax rates enacted or substantively enacted by the reporting date under the provisions of the Income Tax Act, 1961. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the corresponding amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

iii. Deferred tax is not recognized for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss at the time of the transaction.

iv. Deferred tax assets – unrecognized or recognized are reviewed at each reporting date and are recognized/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realized.

v. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

vi. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same taxation authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of changes in value.

Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the nature of transactions.

l) Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

4. Property, plant and equipment

₹ in Lakhs

Description	Computers	Office Equipment	Plant & Equipment	Vehicles	Furniture & Fixtures	Total
Gross Carrying Value						
At January 21, 2022	-	-	-	-	-	-
Addition	131.78	0.08	-	23.05	0.36	155.27
Addition on account of transferred/BTA (refer note 30 & 31)	361.70	37.51	4.97	8.46	8.09	420.73
Disposal	-	-	-	-	-	-
At March 31, 2023	**493.48**	**37.59**	**4.97**	**31.51**	**8.45**	**576.00**
Accumulated depreciation						
At January 21, 2022						
Charge for period from January 21, 2022 to March 31, 2023						
On Addition	30.45	0.01	-	2.92	0.08	33.46
On assets transferred/acquired on BTA (refer note 30 & 31)	67.63	4.34	2.07	1.34	5.82	81.20
On disposal	-	-	-	-	-	-
At March 31, 2023	**98.08**	**4.35**	**2.07**	**4.26**	**5.90**	**114.66**
Net Carrying value	395.40	33.24	2.90	27.25	2.55	461.34
At January 21, 2022	-	-	-	-	-	-
At March 31, 2023	**395.40**	**33.24**	**2.90**	**27.25**	**2.55**	**461.34**

5. Right-of-use assets

The Company leases assets in the nature of immovable property.

The summary of the movement of right-of-use assets for the period ended March 31, 2023, is given below:

₹ in Lakhs

Particulars	**March 31, 2023**
Opening Balance as on January 21, 2022	-
Additions to right-of-use assets	895.87
Depreciation charge for the period	132.96
De-recognition of right-of-use-assets	-
Balance at March 31, 2023	**762.91**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

6. Other Intangible Assets

₹ in Lakhs

Description	Software	Total
Gross Carrying Value		
At January 21, 2022	-	-
Addition	0.47	0.47
Acquisition on transfer (refer note 29)	1.26	1.26
Disposal	-	-
At March 31, 2023	**1.73**	**1.73**
Accumulated Amortization		
At January 21, 2022		
Charge for period from January 21, 2022 to March 31, 2023		
On Addition	0.11	0.11
On Acquisition	0.74	0.74
On Disposal	-	-
At March 31, 2023	**0.85**	**0.85**
Net Carrying value	**0.88**	**0.88**
At January 21, 2022	-	-
At March 31, 2023	**0.88**	**0.88**

7. Other financial assets

₹ in Lakhs

Particulars	March 31, 2023
Unsecured, considered good	
Security deposits	137.16
Total	**137.16**

8. Deferred tax assets (net)

Recognized deferred tax assets (net)

₹ in Lakhs

Particulars	March 31, 2023
Deferred Tax Assets / (Deferred Tax Liabilities)	
Provision for gratuity	69.32
Provision for compensated absences	19.33
Leases (net)	5.84
Depreciation	(18.73)
Preliminary expenses	(1.39)
Total	**74.37**

DELOITTE HASKINS & SELLS ★ CHENNAI-17 ★ CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED ★ CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

Movement in temporary differences

For the period ended March 31, 2023

₹ in Lakhs

Particulars	Balance as on January 21, 2022	Recognised in the statement of profit and loss	Recognised in the other comprehensive income	Balance as on March 31, 2023
Deferred tax assets (net)				
Provision for gratuity	-	69.32	-	69.32
Provision for compensated absences	-	19.33	-	19.33
Leases (net)	-	5.84	-	5.84
Depreciation	-	(18.73)	-	(18.73)
Preliminary	-	(1.39)	-	(1.39)
Total	**-**	**74.37**	**-**	**74.37**

9. Income taxes

₹ in Lakhs

Particulars	March 31, 2023
Current tax liabilities	136.52
Income tax assets	(96.36)
Total	**40.16**

Movement in income tax assets (net)

₹ in Lakhs

Particulars	March 31, 2023
Balance at the beginning of the year	-
Add: Taxes paid / (net of refunds)	96.36
Balance at the end of the year	**96.36**

Movement in current tax liabilities (net)

₹ in Lakhs

Particulars	March 31, 2023
Balance at the beginning of the year	-
Add: Provision during the year	136.52
Balance at the end of the year	**136.52**

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS CHENNAI-17

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Tax expense recognized during the period

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023	
	Recognised in the statement of profit and loss	Recognised in the other comprehensive income
Current tax	136.52	-
Deferred tax	(74.37)	-
Total tax expenses	**62.15**	**-**

Reconciliation of effective tax rate

₹ in Lakhs

Particulars	January 21, 2022 to March 31, 2023	January 21, 2022 to March 31, 2023
	Effective Tax	Tax Expenses
Profit before tax		208.64
Income tax expense	25.17%	52.51
Effect of non-deductible expense and deductible claims	1.23%	2.56
Effect of unused tax losses	2.07%	4.31
Effect of other items	1.33%	2.77
Income tax expense recognized in statement of profit and loss	**29.80%**	**62.15**

During the period, the Company elected to exercise the option of reduced income-tax rates permitted under section 115BAA of the Income tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

10. Trade receivables

₹ in Lakhs

Particulars	March 31, 2023
Unsecured	
Considered good*	829.39
Total	**829.39**

*Refer note 34(c) for the balance receivable from related parties.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

Major customers

Trade receivable from customers that individually constituted more than 10% of the Company's trade receivable are as follows:

₹ in Lakhs

Particulars	**March 31, 2023**
Customer A	377.97
Customer B	406.68
Total	**784.65**

Ageing of trade receivables

The ageing has been derived from the due date of the Payment, where there is no due date for payment, date of transaction has been considered.

March 31, 2023

₹ in Lakhs

Particulars	**Less than 6 months**	**6 months to 1 year**	**1 to 2 years**	**2 to 3 years**	**More than 3 years**	**Total**
Undisputed						
Considered good	829.39	-	-	-	-	**829.39**
Having significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Disputed						
Considered good	-	-	-	-	-	-
Having significant increase in credit risk	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-
Total	**829.39**	**-**	**-**	**-**	**-**	**829.39**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

11. Cash and cash equivalents

₹ in Lakhs

Particulars	March 31, 2023
Cash on hand	1.10
Bank balances	145.32
In deposit account (maturing within 3 months)	300.00
Cash and cash equivalents as per Balance Sheet	**446.42**
Cash and cash equivalents as per the statement of cash flows	**446.42**

12. Other current assets

₹ in Lakhs

Particulars	March 31, 2023
Unsecured, considered good	
Advance to employees	4.81
Prepaid Expenses	54.51
Others	0.25
Total	**59.57**

13. Equity share capital

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-.

₹ in Lakhs

Particulars	March 31, 2023
Authorised capital 1,00,00,000 Equity Shares of Rs.10/- each	1000.00
Issued, subscribed, and fully paid up 95,00,000 Equity Shares of Rs.10/- each fully paid up	950.00

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

Reconciliation of the number of shares outstanding and amount of share capital at the beginning and at the end of the period

Particulars	For the period from January 21, 2022 to March 31, 2023	
	No of shares	₹ in Lakhs
At the beginning of the period	-	-
Add: Allotment of shares during the period	95,00,000	950.00
Outstanding at the end of the period	**95,00,000**	**950.00**

Terms/rights attached to equity shares

Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

Details of shares held by shareholder holding more than 5 % of the paid-up equity capital

Particulars	March 31, 2023	
	No of shares held	% of Share holding
Redington Limited (formerly known as Redington (India) Limited)	95,00,000	100

Statement showing shares held by promoters

Promoter name	March 31, 2023		
	No. Of Shares	% of total shares	% Change during the period
Redington Limited (formerly Redington (India) Limited) including its nominees	95,00,000	100	-

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

14. Other equity

a) Capital reserve

₹ in Lakhs

Particulars	**March 31, 2023**
Opening balance	-
Add: On account of acquisition of subsidiary	3.11
Balance at the end of the period	**3.11**

Capital reserve represents the excess of book value of net assets over the purchase consideration paid for entities.

₹ in Lakhs

Particulars	**Amount**
Net book value of assets and liabilities	
Assets	
Property, plant and equipment	6.01
Deposits	3.42
Loans & advances	2.75
Trade receivables	19.83
Cash and cash equivalents	10.66
Other assets	3.35
Total assets acquired (a)	**46.02**
Liabilities	
Provisions	7.56
Sundry creditors	5.79
Statutory liabilities payable	16.83
Employee payables	4.11
Total liabilities acquired (b)	**34.29**
Net assets acquired (c) = (a-b)	**11.73**
Fair value of consideration paid (d)	**8.62**
Capital reserve (c) – (d)	**3.11**

b) Surplus in the statement of profit and loss

₹ in Lakhs

Particulars	**March 31, 2023**
Opening balance	-
Add: Profit for the period	146.49
Balance at the end of the period	**146.49**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

15. Lease liabilities

The company recognized lease liabilities measured at the present value of remaining lease payments.

₹ in Lakhs

Particulars	March 31, 2023
Current	214.35
Non-current	539.15
Total	**753.50**

16. Provisions

Non-current provision

₹ in Lakhs

Particulars	March 31, 2023
Compensated absences	73.25
Gratuity	268.59
Total	**341.84**

Current provision

₹ in Lakhs

Particulars	March 31, 2023
Compensated absences	14.70
Gratuity	15.03
Total	**29.73**

Gratuity (included as part of employee benefits expense in note 21)

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The Company's obligation towards Gratuity is a defined benefit plan and the details of actuarial valuation as at the year-end are given below:

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Reconciliation of present value of defined benefit obligation

₹ in Lakhs

Particulars	January 21, 2022 to March 31, 2023
Defined benefit obligation at the beginning of the year	
Current service cost	72.47
Interest cost	-
Actuarial (gain) / loss recognised in other comprehensive income	-
Benefits paid	(8.20)
Provisions recognised / (disposed) on acquisition / disposal of subsidiaries	-
Liability assumed in a business combination	219.35
Defined benefit obligation at the end of the year	**283.62**
Current	**15.03**
Non-current	**268.59**

Principal actuarial assumptions for gratuity

Particulars	2023
Discount rate	7.53%
Salary escalation rate	8.00%
Attrition rate	15.00%
Weighted average duration of defined benefit obligation	11.13 years
Demographic assumptions – Mortality	IALM 2012-2014 Ultimate

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

a. Sensitivity analysis

The Company applies 1% as the sensitivity rate while ascertaining the impact of change in one of the actuarial assumptions, keeping other assumptions constant, on the defined benefit obligation. Following is the effect on defined benefit obligation:

₹ in Lakhs

	March 31, 2023
Increase of 1% in assumptions	**Increase/ (Decrease)**
Discount rate	(15.09)
Salary escalation rate	17.07
Attrition rate	(2.15)
Decrease of 1% in assumptions	**Increase/ (Decrease)**
Discount rate	17.67
Salary escalation rate	(14.82)
Attrition rate	2.35

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

b. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company and its Indian subsidiaries borrow funds to meet its short-term requirements which are at fixed interest rates and the Company's borrowings are minimal. Hence there is no exposure to any significant interest rate risk.

c. Credit risk management

Credit risk is the risk that the counterparty will not meet its obligations under the customer contract, leading to a financial loss. The Group is exposed to credit risk from its sale to customers on credit. The carrying value of financial assets represents the maximum amount of credit risk.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

The Group mitigates credit risk by strict receivable management, procedures, and policies. The Group has a dedicated independent team to review credit and monitor collection of receivables. Credit insurance is resorted to for most of the receivables and in such cases the credit risk is restricted to the receivable value which is not covered.

17. Trade Payables

₹ in Lakhs

Particulars	March 31, 2023
(a) Total outstanding dues of micro enterprises and small enterprises	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	
i. Trade payables towards related parties	26.91
ii. Trade payables towards others	60.08
Total	**86.99**

Ageing of Trade Payables

March 31, 2023 ₹ in Lakhs

Particulars	Less than 1 year	1 – 2 years	2 – 3 years	More than 3 years	Total
Unbilled dues					
a. MSME	-	-	-	-	-
b. Others	86.99	-	-	-	86.99
c. Disputed dues - MSME	-	-	-	-	-
d. Disputed dues - Others	-	-	-	-	-
Total	**86.99**	**-**	**-**	**-**	**86.99**

18. Other current liabilities

₹ in Lakhs

Particulars	March 31, 2023
Statutory liabilities payable	140.50
Employee payable	22.68
Bonus and variable payables	225.36
Other liabilities	31.68
Total	**420.22**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

19. Revenue from operations

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Revenue from rendering of services	3,526.11
Total	**3,526.11**

a. Geographic Information

The geographic information analyses the company's revenue by the Company's country of domicile and other countries. In presenting the geographic information, segment revenue has been determined based on the geographic location of customers.

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
India	2,572.29
Overseas	953.82
Total	**3,526.11**

b. Major Customers

Revenue from Customers that individually constituted more than 10% of the Company's revenue as follows:

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Customer A	2,535.66
Customer B	923.96
Total	**3,459.62**

20. Other income

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Interest income from fixed deposits	3.10
Income from short term investments	0.54
Miscellaneous Income	18.99
Total	**22.63**

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED
CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

21. Employee benefits expense

₹ in Lakhs

Particulars	For the period from January 21, 2022 to March 31, 2023
Salaries and bonus	2,134.78
Contribution to provident funds	126.27
Contribution to other funds	84.64
Gratuity (refer note 16)	72.47
Staff welfare expenses	88.69
Total	**2,506.85**

22. Finance costs

₹ in Lakhs

Particulars	For the Period from January 21, 2022 to March 31, 2023
Interest on lease liabilities	31.43
Other Interest	1.81
Total	**33.24**

23. Depreciation and amortization expense

₹ in Lakhs

Particulars	For the Period from January 21, 2022 to March 31, 2023
Depreciation of property, plant and equipment (refer note 4)	114.66
Depreciation of right-of-use assets (refer note 5)	132.96
Amortisation of intangible assets (refer note 6)	0.85
Total	**248.47**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

24. Other expenses

₹ in Lakhs

Particulars	For the Period from January 21, 2022 to March 31, 2023
Lease Rent (refer note 31)	25.91
Repairs and maintenance	29.50
Software subscription	73.00
Preliminary expenses	9.22
Rates and taxes	0.69
Auditors' remuneration (refer details below)	8.00
Insurance	71.00
Communication expenses	86.90
Conveyance expenses	37.72
Consultancy expenses	126.31
Other expenses	83.29
Total	**551.54**

Auditor's Remuneration

₹ in Lakhs

Particulars	For the Period from January 21, 2022 to March 31, 2023
As auditor	
Statutory audit	7.25
Tax audit	0.75
Total remuneration	**8.00**

25. Earnings per equity share

Particulars	For the Period from January 21, 2022 to March 31, 2023
Profit after tax (₹ in Lakhs)	146.49
Weighted average number of equity shares (Basic)	73,85,057
Earnings per share- Basic ₹	1.99
Weighted average number of equity shares (Diluted)	73,85,057
Earnings per share- Diluted ₹	1.99
Face Value per share in ₹	10

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

26. Lease expenses

The details of expenses are summarized below: **₹ in Lakhs**

Particulars	For the Period from January 21, 2022 to March 31, 2023
Interest on lease liabilities (Included as part of finance cost)	31.43
Depreciation of right-of-use assets (Included as part of depreciation and amortization expenses)	132.96
Expenses relating to short-term leases and termination of leases (Included as part of other expenses)	25.91
Gain on modification of leases (Included as part of other income)	1.78

Amounts recognised in statement of cash flows

₹ in Lakhs

Particulars	For the Period from January 21, 2022 to March 31, 2023
Total cash outflow for leases	135.58

27. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities:

March 31, 2023		Carrying amount of financial assets		
Particulars	**Note reference**	**Other financial assets-amortised cost**	**FVTPL – others**	**Total carrying amount**
Financial assets not measured at fair value				
Trade receivables	Note 10	829.39	-	829.39
Cash and cash equivalents	Note 11	446.42	-	446.42
Security Deposit	Note 7	137.16	-	137.16
Total		**1,412.97**	**-**	**1,412.97**

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

March 31, 2023 — **Carrying value of financial liability**

Particulars	Note reference	Amortised cost	FVTPL – others	Total carrying amount
Financial liabilities not measured at fair value				
Trade Payable	Note 17	86.99	-	86.99
Lease liability	Note 15	753.50	-	753.50
Total		**840.49**	**-**	**840.49**

28. The Company has entered into a Business Transfer Arrangement ('BTA') with Redington Gulf FZE for transfer of shared services Business from Redington Gulf FZE (India) Branch ('Branch') and after necessary statutory approvals from Unit Approval Committee ('UAC') Authority and the transfer is effective from January 01, 2023, for which the company paid a consideration of Rs. 152.55 Lakhs based on the Independent Valuation Report.

₹ in Lakhs

Particulars	Amount
Net book value of assets and liabilities recognized as a result of business combination	
Assets	
Property, plant and equipment	233.65
Other intangible assets	1.26
Deposits	106.56
Loans & advance	4.81
Other assets	46.08
Total assets acquired (a)	**392.36**
Liabilities	
Provisions	171.56
Employee payables	60.25
Other payables	8.00
Total liabilities acquired (b)	**239.81**
Net assets acquired (a-b)	**152.55**

29. During the period January 21, 2022 to March 31, 2023 Redington limited (formerly known as Redington (India) limited) have transferred to the company its 171 employees and Property, Plant and Equipment to the tune of Rs. 179.70 Lakhs based on an independent valuation report.

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REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

30. Financial risk management

The Company's activities expose it to financial risks such as liquidity risk. The Company's senior management oversees the management of these risks. The senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured, and managed in accordance with the Company's policies and risk objectives.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates is primary on account of receipt in foreign exchange for rendering services.

Details of derivative exposures are as under:

	March 31, 2023	
	$ in Lakhs	**₹ in Lakhs**
Receivables – Other financial assets:		
Foreign currency exposure – unhedged	5.86	462.34

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 has built an appropriate liquidity risk management framework for its short, medium, and long-term funding and liquidity requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and un-availed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial liabilities.

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities:

₹ in Lakhs

Particulars of financial liabilities	March 31, 2023	
	Carrying amount	Cash outflow
Non-derivative financial liabilities		
> 1 year		
Lease liabilities	539.15	589.73
< 1year		
Trade Payable	86.99	84.08
Lease liabilities	214.35	261.87

31. Operating leases

Leases as Lessee

The Company has taken on lease of office under cancelable operating leases. The leases are for vary periods, which are renewable at the option of the company. Amount recognized in the statement of profit and loss as lease rent of Rs. 25.91 Lakhs.

32. Financial ratios

Particulars	Period ended March 31, 2023
Current ratio	1.69
Debt-equity ratio	NA
Debt service coverage ratio	NA
Inventory turnover ratio	NA
Trade receivables turnover ratio	4.25
Trade payables turnover ratio	6.34
Net capital turnover ratio	4.75
Net profit %	4.15%
Return on equity %	15.42%
Return on capital employed (Net of cash) %	41.43%
Return on capital employed (Gross) %	21.96%
Return on investment %	15.42%

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REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

Formulas for above ratios:

a. Current ratio = Current assets/ current liabilities
b. Debt equity ratio = (Total Debt - Cash and cash equivalents) / (Total equity - Investments in subsidiaries)
c. Debt service coverage ratio = (Profit before tax + Interest expenses) / (Interest expenses + Repayment of long-term loans during the year)
d. Inventory turnover ratio = Revenue from operations / Average inventories*
e. Trade receivables turnover ratio = Revenue from operations / Average trade receivables*
f. Trade payables turnover ratio = Other Expenses / Average trade payables*
g. Net capital turnover ratio = Revenue from operations / (Average inventories + Average trade receivables – Average trade payables) *
h. Net profit % = Net profit (Profit after tax) / Revenue from operations
i. Return on equity % = Profit after tax / (Average equity* – Investments in subsidiaries)
j. Return on capital employed (Net of cash) % = (Profit before tax + Interest expenses) / (Closing capital employed – cash and cash equivalents) where Capital employed = Equity + Borrowings
k. Return on capital employed (Gross) % = (Profit before tax + Interest expenses) / Closing capital employed
l. Return on investment % = Net operating profit after tax / Average capital employed*

*Since this been the first year of the Company, closing balance are considered for ratio.

33. Related party disclosures (As per Ind AS 24 "*Related party disclosures*")

a. Remuneration to Key Management Personnel ('KMP')

Mr. Deepak Puligadda, Chief Executive Officer (Appointed w.e.f. August 18th, 2022)

b. Names of the related parties

Holding company	Redington Limited (formerly Redington (India) Limited)
Fellow Subsidiary	Redinton Gulf FZE
Fellow Subsidiary	Proconnect Supply Chain Solution Limited
Fellow Subsidiary	Redington distribution PTE Limited

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

Redserv Global Solutions Limited

Notes to the Consolidated financial statements for the period from January 21, 2022 to March 31, 2023

c. Nature of Transactions

₹ in Lakhs

Nature of Transactions	**For the period from January 21, 2022 to March 31, 2023**
Redington Limited (formerly Redington (India) Limited)	**Holding Company**
Service Income	2,535.66
Property, Plant and Equipment	179.70
Lease rent – expenses	3.89
Amount receivable at period end	377.97
Redington Gulf FZE	**Fellow Subsidiary**
Service Income	923.96
Amount Receivable at period end	406.68
Proconnect Supply Chain Solution Limited	**Fellow Subsidiary**
Rental Expenses	23.43
Amount Payable at period end	25.95
Redington distribution PTE Limited	**Fellow Subsidiary**
Service Income	29.86
Amount Receivable at period end	29.86

d. Remuneration Key managerial personnel

₹ in Lakhs

Nature of transactions	**For the period from January 21, 2022 to March 31, 2023**
Salaries and bonus	79.54
Contribution to provident fund	4.17
Total remuneration	**83.71**

Provision for gratuity and compensated absences are based on an actuarial valuation performed on an overall Company basis and hence excluded above.

DELOITTE HASKINS & SELLS CHENNAI-17 CHARTERED ACCOUNTANTS

REDSERV GLOBAL SOLUTIONS LIMITED CHENNAI

34. Additional regulatory information

The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

The Company has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.

The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

The company does not have transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

During the period, the Company has not revalued any of its Property, Plant and Equipment, Right of Use Asset and Intangible Assets.

35. These consolidated financial statements were approved for issue by the Board of Directors on May 09, 2023.

for **and on behalf of the Board of Directors**

Rajiv Srivastava
Director
DIN: 03568897

S V Krishnan
Director
DIN: 07518349

Deepak Puligadda
Chief Executive Officer

Place: Chennai
Date: May 09, 2023

DELOITTE HASKINS & SELLS
CHENNAI-17
CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of Redserv Business Solutions Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Redserv Business Solutions Private Limited ('the Company')**, which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those charged with governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, change in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India, specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance

A S V S & Co LLP Chennai Chartered Accountants of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of Ind AS Financial Statement

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.

A further description of the auditor's responsibilities for the audit of the Ind AS financial statements is included in Annexure A. This description forms part of our auditor's report.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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Chennai
Chartered Accountants

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

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

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is 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 Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C"

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 company does not have any pending litigations other than those disclosed in annexure to audit report as at 31st March 2023;

ii) The Company not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv)

a) The managements has represented that ,to the best of its knowledge and belief, as disclosed in note to the standalone financial statements, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

b) The management has represented, that, to the best of its knowledge and belief, as disclosed in note to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 from or on behalf of the Ultimate Beneficiaries.

c) Based on audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) contain any material misstatement.

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v) The Company has not declared any dividend during this financial year; hence this clause is not applicable.

For **A S V S & Co LLP**
Chartered Accountants
Firm's Registration No.009840S/S200077

Sudarshan Bothra
Partner
Membership No. 231350

Date28/04/2023
Place: Chennai

A S V S & Co LLP
Chennai
Chartered Accountants

Annexure A

Responsibilities for Audit of Financial Statement

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

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

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

- The company does not have any factory premises, plant & machineries for operation. Further, the company has disposed off all the fixed assets which is raising doubt on company's ability to continue as going concern entity.

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

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

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

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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters.

For **A S V S & Co LLP**
CharteredAccountants
Firm's Registration No.009840S/S200077

Sudarshan Bothra
Partner
Membership No. 231350

Date :28/04/2023
Place : Chennai

A S V S & Co LLP
Chennai
Chartered Accountants

Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2023, we report that:

(i) In respect of its Fixed Assets:

(A) The company has maintained proper records showing full particulars, including quantitative details and situations of property, plant and equipment

(B) Not applicable as the company does not have any intangible assets.

(C) The property, plant and equipment have been physically verified by the management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed no such verification.

(D) Not applicable as the company does not any immovable property.

(E) Not applicable as the company has not revalued any of its property, plant and equipment's during the year

(ii) In respect of its Inventories:

Since the Company does not hold any inventories, accordingly this clause is not applicable.

(iii) According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.

(iv) The company has not made any investments in or has provided any loan, guarantee or any security and therefore provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.

(v) The company has not accepted any deposits from the public.

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

(vii) In respect of statutory dues:

(a) According to the information and explanations given to us, the company has been regular in depositing the undisputed statutory duties, including Goods and Services Tax Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities during the year.

There were no undisputed outstanding amount in respect of including Goods and Services Tax Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax, Cess and any other statutory dues as at March 31, 2023 for a period of more than six months from the date they become payable.

ASVS & Co LLP Chennai Chartered Accountants

(b) According to the information and explanations given to us, there were no dues in respect of including Goods and Services Tax Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of excise, Value Added Tax, Cess which have not deposited as on March 31, 2023 with the appropriate authorities on account of disputes, except for the dues referred to below

(viii) According to the information and explanation given to us and based on the examination of our records, there were no unrecorded transactions in the books of accounts that have been surrendered or disclosed during the year in the tax assessments under the Income Tax Act,1961.

(ix) In respect of borrowings:

(a) The company has borrowings of INR. 14,48,420/- during the year and based on the information and explanation given to us, the company has not made any default in the repayment of loans or other borrowings or payment of interest thereon to any lender.

(b) The company has not been declared willful defaulter by any bank or financial institution or other lender.

(x) In respect of moneys raised:

(a) The company did not raise any money by way of initial Public offer or further public offer (including debt instruments) during the year.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) According to the information and explanation given to us

(a) No fraud by the company or no fraud on the company has been noticed or reported during the year.

(b) No report has been filed by the auditor under section 143(12) of the Companies Act, 2013 in Form ADT-4 as prescribed under Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) No whistle blower complaints received by the company during the year.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us,

(a) The company does not require an internal audit system commensurate with the size and nature of its business.

(xv) According to the information and explanation given to us and based on our verification of records, the company has not entered into any non-cash transactions with directors and persons connected with him.

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(xvi) According to the information and explanation given to us

(a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934

(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act,1934

(c) The company is not as Core Investment Company as defined in the regulations made by the Reserve Bank of India.

(d) There are no CICs forming part of the group.

(xvii) The company has incurred any cash losses in the financial year and raising doubt on company's ability to continue as going concern entity

(xviii) Based the information and explanation given to us, there is resignation of statutory auditor during the year and we have been appointed as statutory audit for the current audit period.

(xix) On the basis of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of Board of Directors and management plans, we are of the opinion that there is no material uncertainty exist as on the date of audit report regarding the capability of the company to meet its liability at the balance sheet date as and when they fall due within a period of one year from the balance sheet date

(xx) The company doesn't meet the criteria for the applicability of Corporate Social Responsibility as per Section 135 of the Companies Act,2013, accordingly, reporting under this clause is not applicable.

For **A S V S & Co LLP**
Chartered Accountants
Firm's Registration No.009840S/S200077

Sudarshan Bothra
Partner
Membership No. 231350

A S V S & Co LLP * Chartered Accountants * Chennai

Date :28/04/2023
Place : Chennai

Annexure - C to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Redserv Business Solutions Private Limited ("the Company") as of 31st March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

ASVS & Co LLP Chennai Chartered Accountants

Flat No.1B, Raj Bhavan, #15, Vasu Street, 1st Floor, Kilpauk, Chennai - 600 010.
Phone - 044-4854 0355
Email - admin@asvs.in | **Web** - www.asvs.in

Meaning of Internal Financial Controls over Financial Reporting:

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

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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A S V S & Co LLP**
Chartered Accountants
Firm's Registration No.009840S/S200077

A S V S & Co LLP * Chartered Accountants * Chennai

Sudarshan Bothra
Partner
Membership No. 231350

Date :28/04/2023
Place : Chennai

Redserv Business Solutions Pvt Ltd
Statement of Financial position as at 31st March 2023
(All amounts are in Lakhs(₹), unless otherwise stated)

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	4	2.53	6.01
Financial assets			
Other financial assets	6	0.30	-
Income tax assets (net)	7	1.37	1.47
Total non-current assets		4.20	7.48
Current assets			
Financial assets			
Loans & advances	9	-	3.42
Trade receivables	5	5.75	19.83
Cash and cash equivalents	8	2.22	10.66
Other current assets	10	-	4.63
Total current assets		7.97	38.54
Asset held for sale			
Total assets		12.17	46.02
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	10.00	0.00
Other equity	12	(15.40)	0.00
Total equity		(5.40)	0.00
LIABILITIES			
Non-current liabilities			
Other financial liabilities		-	-
Provisions	14	-	5.98
Total non-current liabilities		-	5.98
Current liabilities			
Financial liabilities			
Borrowings	15	14.49	-
Lease liabilities		-	-
Trade payables	13		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2.90	5.79
Other current liabilities	16	0.18	15.88
Other financial liabilities	16a	-	5.50
Provisions	14	-	1.16
Total current liabilities		17.57	28.33
Total equity and liabilities		12.17	34.30

The accompanying notes form an integral part of the financial statements

As per our report of even date
For ASVS & Co LLP
Chartered Accountants
Firm Registration Number : 009840S/S200077

Sudarshan Bothra
Partner
Membership Number 231350

Place : Chennai
Date :April 28, 2023

For and on behalf of the Board

Sriram Ganeshan
Director
(DIN-07697113)

Sunder S
Director
(DIN-07697089)

ASVS & Co LLP ★ Chennai ★ Chartered Accountants

REDSERV BUSINESS SOLUTIONS PVT. LTD. ★

Redserv Business Solutions Pvt Ltd
Statement of Profit and Loss and Other Comprehensive Income for the year ended 31st March 2023
(All amounts are in Lakhs(₹), unless otherwise stated)

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	17	15.35	119.37
Other income	18	3.73	178.19
Total income		**19.08**	**297.56**
Expenses			
Purchases of traded goods			
Changes in inventories of traded goods			
Employee benefits expense	19	22.19	114.29
Finance costs	20	1.81	-
Depreciation and amortisation expense		3.48	3.24
Other expenses	21	8.71	22.81
Total expenses		**36.19**	**140.34**
(Loss) / Profit before tax		**(17.11)**	**157.22**
Tax expense			
Current tax		-	1.27
Deferred tax		-	-
Tax expenses in respect of earlier years			
Total tax expense		-	**1.27**
(Loss) / Profit for the period (A)		**(17.11)**	**155.95**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit liability		-	(0.23)
Income tax relating to the above			
Net other comprehensive income that will not be reclassified to profit or loss		-	**(0.23)**
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating financial statements of foreign operation			
Income tax relating to the above			
Net other comprehensive income that will be reclassified to profit or loss		-	-
Total other comprehensive income (B)		-	**(0.23)**
Total comprehensive income for the year (A+B) Comprising (Loss)/ Profit and Other Comprehensive Income for the year		(17.11)	155.72
Earnings per equity share: (Face value ₹ 10 each)			
Basic (in ₹)		-	155.95
Diluted (in ₹)		-	155.95

The accompanying notes form an integral part of the financial statements

As per our report of even date
For ASVS & Co LLP
Chartered Accountants
Firm Registration Number : 009840S/S200077

Sudarshan Botra
Partner
Membership Number 231350

Place : Chennai
Date :April 28, 2023

For and on behalf of the Board

Sriram Ganeshan
Director
(DIN-07697113)

Sunder S
Director
(DIN-07697089)

Redserv Business Solutions Pvt Ltd
Statement of Cash Flows for the Period ended 31st March 2023
(All amounts are in Lakhs(₹), unless otherwise stated)

(₹ in Lakhs)

Particulars	Period Ended March 31, 2023	Period Ended March 31, 2022
A. Cash flow from operating activities:		
Profit for the year after tax	**(17.11)**	**157.22**
Adjustments for:		
- Income tax expense recognised in profit and loss		
- Depreciation and amortisation expense	3.48	3.24
- Finance costs	-	-
- Interest income	-	(0.07)
- Miscellaneous Income	-	5.00
Operating (loss)/Profit before working capital changes	**(13.63)**	**165.39**
Decrease/(Increase)in trade receivables	14.08	(5.85)
Decrease/(Increase) in other assets	7.84	(2.89)
(Decrease)/Increase in trade payables	(2.89)	0.36
(Decrease) in provisions	(5.98)	-
(Decrease) in other liabilities	(22.36)	(160.40)
Cash used in operations	**(22.94)**	**(3.39)**
Income taxes paid (net)	-	(2.74)
Net cash used in operating activities	**(22.94)**	**(0.65)**
B. Cash flow from investing activities:		
Payment towards acquisition of property, plant and equipment	-	(1.62)
Net cash used in investing activities	**-**	**(1.62)**
C. Cash flow from financing activities:		
Proceeds from long term borrowings	14.48	-
Net cash generated in financing activities	**14.48**	**-**
Net (Decrease)/Increase in cash and cash equivalents	(8.44)	10.66
Cash and cash equivalents at the beginning of the year	10.66	-
Cash and cash equivalents at the end of the year	**2.22**	**10.66**
Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the year as per Balance sheet	2.22	10.66
Cash and cash equivalents at the end of the year in the statement of cash flows	2.22	10.66
Components of cash and cash equivalents		
Balances with Banks		
In current accounts	2.21	10.66
In Deposit account (maturing within 3 months)		
Cash on hand	0.01	-
Cash and cash equivalents at the end of the year in the statement of cash flows	**2.22**	**10.66**

See accompanying notes forming part of standalone financial statements

As per our report of even date
For ASVS & Co LLP
Chartered Accountants
Firm Registration Number : 009840S/S200077

Sudarshan Bothra
Partner
Membership Number 231350

Place : Chennai
Date :April 28, 2023

ASVS & Co LLP Chennai Chartered Accountants

For and on behalf of the Board

Sriram Ganeshan	Sunder S
Director	Director
(DIN-07697113)	(DIN-07697089)

REDSERV BUSINESS SOLUTIONS PVT. LTD.

1. COMPANY OVERVIEW

Redserv Business Solutions Private Limited ('the Company') was incorporated on March 27, 2017 as a private limited company under the Companies Act, 2013 ('the Act'). The company is engaged in the business of providing various services in the field of IT and IT enabled services.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.01 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.02 Functional currency and presentation currency

The functional currency of the Company is the Indian rupee (INR). These financial statements are presented in Indian rupees (rounded off to thousands).

2.03 Basis of measurement

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial assets and liabilities which are measured at fair values.

2.04 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions considered in the reported amount of assets, liabilities, disclosure of contingent assets and contingent liabilities and the reported income and expenses during the year. The management believes that these estimates, judgements and assumptions used in the preparation of financial statements are prudent and reasonable.

Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise. Estimates, judgements and underlying assumptions are reviewed periodically on an ongoing basis.

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

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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2.05 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 103 – Reference to Conceptual Framework - The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 – Annual improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.01 Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts.

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The Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company 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 Company 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. ROU 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.

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

For a lease modification that is not accounted for as a separate lease, the company 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 company recognises 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.

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(All amounts are in Lakhs(₹), unless otherwise stated)

3.02 Foreign currency

Income and expenditure in foreign currencies are recorded at the exchange rate prevailing at the date of transaction. Exchange gain/loss on settlement of foreign currency transactions are recognised in the statement of profit and loss.

All monetary assets and liabilities denominated in foreign currency are translated into the functional currency at the end of the accounting period at the prevailing exchange rates as on the reporting date and the resulting exchange gain/loss is recognised in the statement of profit and loss.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate prevalent at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective, which are recognised in OCI.

3.03 Income Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit for the year except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

a) Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable in respect of previous years. The amount of tax payable on the taxable income for the year is determined in accordance with the applicable tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

b) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

c) Deferred tax is not recognised for temporary difference arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

d) Deferred tax assets – unrecognised or recognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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Redserv Business Solutions Pvt. Ltd.

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3.04 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The software (including operating systems) which are loaded as part of the property, plant and equipment when they are acquired as part of property, plant and equipment are not separately identified.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation on additions / deletions has been provided on a pro-rata basis. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

Items of property, plant and equipment retired from active use and held for disposal is stated at the lower of their carrying amount and net realisable value. Any write-down is recognised in the statement of profit and loss.

The carrying amount of an item of property, plant and equipment is derecognised
(a) on disposal; or
(b) when no future economic benefits are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is included in the statement of profit and loss when the item is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Impairment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

3.05 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liability is disclosed for all

a) possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company (or)

b) present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

In respect of contingent assets for which inflow of economic benefits are probable, the Company discloses a brief description of the nature of the contingent assets at the end of the year, and, where practicable, an estimate of their financial effect.

3.06 Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

3.07 Statement of Cash flows

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the nature of transactions.

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3.08 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

3.09 Fair value measurement

Certain of the Company's accounting policy or disclosures require the measurement of fair value for both financial / non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the time of measurement date. When measuring fair value, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, except for share based payment transactions that are within the scope of Ind AS 102 "*Share-based payment*", leasing transactions that are within the scope of Ind AS 116 "*Leases*", and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 "*Inventories*" or value used in Ind AS 36 "*Impairment of assets*".

The Company has an established framework with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques which are follows

i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived

iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an assets or a liability fall into different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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3.10 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Classification and subsequent measurement

Financial assets

i) On initial recognition, a financial asset is classified as measured at
   - Amortised cost
   - Fair value through other comprehensive income
   - Fair value through profit and loss

ii) A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair Value Through Profit or Loss (FVTPL)
   - The asset is held within a business model whose objective is to hold assets to collect contractual flows; and
   - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments

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

iv) All financial assets not classified as measured at amortised cost or as measured at FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

v) Financial assets at FVTPL – These are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

   Financial assets at FVOCI – These assets are subsequently measured at fair value, with fair value changes recognised in other comprehensive income. Income, including any interest or divident , are recognised in statement of profit and loss.

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Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit and loss.

vi) Financial assets are not re-classified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing its financial assets.

Financial liabilities

i) Financial liabilities are classified as measured at amortised cost or FVTPL.

ii) A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such in initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss.

iii) Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on de-recognition is also recognised in profit and loss.

De-recognition

Financial assets

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is the cumulative gain or loss that has to be recognised in the statement of profit and loss.

Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expired. The difference between the carrying amount of the financial liability de-recognised and the sum of consideration paid and payable is recognised as gain or loss in the statement of profit and loss.

The Company also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit and loss.

Offsetting

Financial assets and financial liabilities are offset and net amount presented in the balance sheet when, and only when there is a legally enforceable right to set off the amounts and it intend either to settle them on net basis or to realise the asset and settle the liabilities simultaneously.

Impairment of financial assets

The Company recognises loss allowance for expected credit loss ('ECL') on financial asset which are not measured at FVTPL. At each reporting date, the Company assess whether such financial assets carried at amortised cost / FVOCI are credit - impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowance at an amount equal to lifetime expected credit losses except for bank balances which are measured as 12 month expected credit losses for which credit risk has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to life time expected credit losses.

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

Measurement of expected credit losses

The Company has adopted a model, as permitted under Ind AS 109 "Financial Instruments", for measuring lifetime expected credit loss "ECL" allowance for trade receivables. The model determines the expected credit losses as the probability-weighted estimate of credit losses.

The impairment losses and reversals are recognised in statement of profit and loss.

Loss allowance for financial assets measured at amortised cost / at FVOCI are deducted from gross carrying amount of the assets. The gross carrying amount of a financial assets is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

3.11 Revenue recognition

The Company recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from sale of services is recognised over period of time and in the accounting period in which the services are rendered.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

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3.12 Employee benefits

Short -term employee benefits

Short-term employee benefits are determined as per Company's policy/scheme on an undiscounted basis and are recognized as expense as the related services is provided. Short-term employee benefit liabilities are recognised for the amount expected to be paid, if the Company has a present legal obligation to pay, as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to PF authorities and will have no legal or constructive obligation to pay further amounts. The Company makes monthly contributions towards Government administered schemes such as the provident fund and employee state insurance scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by the employees.

Defined benefit plan

The Company's gratuity plan is unfunded, the defined benefit obligation of which is determined annually by a qualified actuary using the projected unit credit method at each balance sheet date. Re-measurement of defined benefit obligation, which comprises of actuarial gains and losses are recognized in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

Compensated absences

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

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Redserv Business Solutions Pvt. Ltd.

4. Property, plant and equipment

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2023 are as follows:

(₹ in Lakhs)

Particulars	Computers and data processing units	Total
Gross carrying value		
As at April 01, 2022	10.97	**10.97**
Additions	-	-
Deletions	-	-
As at March 31, 2023	**10.97**	**10.97**
Depreciation		
As at April 01, 2022	4.96	**4.96**
For the period	3.48	**3.48**
Deductions / Adjustments during the year	-	-
As at March 31, 2023	**8.44**	**8.44**
Carrying value		
As at April 01, 2022	**6.01**	**6.01**
As at March 31, 2023	**2.53**	**2.53**

The aggregate depreciation is included under depreciation and amortization expense in the statement of Profit and Loss.

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Redserv Business Solutions Pvt. Ltd.

5. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Trade Receivable considered good - Unsecured	5.75	19.83
Less: Allowance for expected credit loss	-	-
	5.75	**19.83**

Trade receivables ageing schedule

for the year ended on March 31, 2023

Particulars	Outstanding for following 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
Undisputed trade receivables							
Considered good		5.75	-	-	-	-	5.75
Total		**5.75**	-	-	-	-	**5.75**

for the year ended on March 31, 2022

Particulars	Outstanding for following 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
Undisputed trade receivables							
Considered good	6.06	13.77	-	-	-	-	19.83
Total	**6.06**	**13.77**	-	-	-	-	**19.83**

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6. Other financial assets - Non current

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits	0.30	-
	0.30	-

7. Income tax assets (net)

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Receivable from Government authorities	1.37	1.47
	1.37	**1.47**

8. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
In current accounts	2.21	10.64
Cash on hand	0.01	0.02
	2.22	**10.66**

9. Loans & Advances

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Unbilled revenues #	-	2.45
Rental deposits paid	-	0.30
Other advance	-	0.68
Total current other financial assets	-	**3.42**

Classified as financial asset as right to consideration is unconditional and is due only after a passage of time.

10. Other current assets

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances other than capital advances		
Payment to vendors for supply of services	-	2.75
Others		
Prepaid insurance	-	1.88
	-	**4.63**

11. Equity share capital

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of shares	Amount	No of shares	Amount
Authorised				
Equity shares, ₹10/- par value	1,00,000	10	1,00,000.00	10.00
Issued, subscribed and fully paid				
Equity shares, ₹10/- par value	1,00,000	10	1,00,000.00	10.00
	1,00,000	**10**	**1,00,000.00**	**10.00**

a. Reconciliation of the shares outstanding at the beginning and at the end of the period

Particulars	As at March 31, 2023	As at March 31, 2022
Equity shares	No of shares	No of shares
At the beginning of the year	1,00,000.00	1,00,000.00
Issued during the year	-	-
Outstanding at the end of the year	**1,00,000.00**	**1,00,000.00**

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b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The Finance Act 2020 has repealed the Dividend Distribution Tax (DDT). Companies are now required to pay / distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates.

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates

Out of equity shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Particulars	**As at March 31,**	
	2023	**2022**
Equity shares	**No of shares**	**No of shares**
Redserv Global Solutions limited	1,00,000	
Redington Gulf FZE (Holding company)	-	99,990
Cadensworth FZE		10

d. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	**As at March 31, 2023**		**As at March 31, 2022**	
	No of shares	**% held**	**No of shares**	**% held**
Redserv Global Solutions limited	1,00,000	100%	-	-
Redington Gulf FZE	-		99,990.00	1.00

e. Shareholding of promoters

Name of the promoter	**As at March 31, 2023**		**As at March 31, 2022**		**% change during the year**
	No of shares	**% of total shares**	**No of shares**	**% of total shares**	
Redserv Global Solutions limited	100000	100	-	-	100.00
Redington Gulf FZE			99,990	1.00	-
Cadensworth FZE			10	-	-

12. Reserves and Surplus

(₹ in Lakhs)

Particulars	**As at March 31,**	
	2023	**2022**
Opening Balance	1.71	(154.01)
Profit for the period	(17.11)	155.72
Balance at the end of the Period	(15.40)	1.71
Total Reserves & Surplus	**(15.40)**	**1.71**

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REDSERV BUSINESS SOLUTIONS PVT. LTD. *

Redserv Business Solutions Private Limited
Statement of Changes in Equity

Note 11. A. Equity share capital (₹ in Lakhs)

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
10.00	-	10.00

B. Other equity

Particulars	Reserves and surplus	Items of OCI	Total
	Retained earnings	Re-measurement of defined benefit liability	
Balance as at April 1, 2021	(154.01)	-	(154.01)
Profit / (loss) for the year	155.95	-	155.95
Other comprehensive income for the year	-	(0.23)	(0.23)
Balance as at March 31, 2022	**1.95**	**(0.23)**	**1.71**

Particulars	Reserves and surplus	Items of OCI	Total
	Retained earnings	Re-measurement of defined benefit liability	
Balance as at April 1, 2022	1.95	(0.23)	1.71
Profit / (loss) for the year	(17.11)	-	(17.11)
Other comprehensive income for the year	-	-	-
Balance as at March 31, 2023	**(15.16)**	**(0.23)**	**(15.40)**

The accompanying notes form an integral part of the financial statements

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13. Trade payables

The Company has circulated letters to suppliers and based on confirmations received so far from the parties, necessary disclosures relating to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 are made in the financial statements. There are no overdue outstanding amounts (including interest) payable to these enterprises.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier as at the end of accounting year;	-	0.11
Interest due on the outstanding principal amount stated above to any supplier as at the end of	-	-
The amount of interest paid by the buyer under the Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23.	-	-

Trade payables ageing schedule

for the year ended on March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME						-
Others		2.90				2.90
Total	-	2.90	-	-	-	2.90

for the year ended on March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.11	-	-	-	-	0.11
Others	3.79	0.09	-	-	1.80	5.68
Total	**3.90**	**0.09**	**-**	**-**	**1.80**	**5.79**

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14. Provisions

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provision for employee benefits		
Provision for gratuity	-	1.65
Provision for leave salary	-	4.33
Total non-current provisions	**-**	**5.98**
Current		
Provision for employee benefits		
Provision for gratuity	-	0.00
Provision for leave salary	-	1.15
Total current provisions	**-**	**1.16**

15. Borrowings

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured loans from related parties repayable on demand	14.49	-
	14.49	**-**

16. Other current liabilities

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory Liablities	0.18	15.88
Other Liablities	-	-
	0.18	**15.88**
16.a Other Financial liabilities	-	5.50

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REDSERV BUSINESS SOLUTIONS PVT. LTD.

17. Revenue from operations

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Back office support services	6.81	88.02
Payroll and related processing services	8.54	31.35
	15.35	**119.37**

18. Other income

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income	-	0.07
Other non operating income	0.06	-
Miscellanous Income	3.67	-
Liabilities Waived	-	178.12
	3.73	**178.19**

19. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries & wages	20.98	93.18
Contribution to provident and other funds	1.21	6.25
Gratuity	-	1.16
Leave salary	-	5.47
Insurance - employees	-	6.08
Awards and rewards	-	0.15
Telephone reimbursements	-	1.99
	22.19	**114.29**

20. Finance costs

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease payments	1.81	-
	1.81	**-**

21. Other expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Bank Charges	0.32	0.01
Miscellaneous expenses	0.00	0.03
Office Maintenance	-	0.40
Payments to auditor (Refer details below)	1.00	3.02
Printing and Stationery	0.02	0.15
Professional Charges	2.61	4.88
Rates & Taxes	-	13.20
Rent - Building	0.60	0.60
Rent - Maintenance	-	-
Repairs & maintenance - others	0.10	0.18
Travelling expenses	-	0.34
Other Expenses	4.06	-
	8.71	**22.81**

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Payments to auditor		
As auditor:		
For audit	1.00	2.64
In other capacity:	-	-
Taxation matters	-	0.38
	1.00	**3.02**
Tax on the above (availed as input credit)		0.07
	1.00	**3.09**

22. Earnings per equity share

(₹ in Lakhs)

Particulars	2022-23	2021-22
Profit after tax	(17.11)	155.95
Weighted average number of equity shares (Basic)	1.00	1.00
Earnings per share- Basic ₹	-	155.95
Weighted average number of equity shares (Diluted)	1.00	1.00
Earnings per share-diluted ₹	-	155.95
Face Value per share in ₹	10.00	10.00

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23. Segment reporting

"Operating Segments" reported are in a manner consistent with internal reporting made to the undersigned Director, Mr. Sriram Ganeshan, who is the Chief Operating Decision Maker for the company.

The reported operating segments

- Engage in business activities from which the Company earns revenues and incur expenses
- Have their operating results regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- Have discrete financial information available

The Company is primarily engaged in only one business namely provision of support services. The entity's chief operating decision maker considers the Company as a whole to make decisions about resources to be allocated to the segment and assess its performance. Accordingly, the Company does not have multiple segments and these financial statements are reflective of the information required by the Ind AS 108 for provision of support services. The Company's operations are entirely domiciled in India and as such all its assets are located in India.

24. Related party disclosures

(i) Names of related parties and related party relationship

Related parties where control exists

Description of Relationship	Name of the Party
1. Holding company	Redserv Global Solutions Limited
2. Ultimate holding company	Redington Limited
4. Key management personnel	Sriram Ganeshan Sunder S Srinivasababu V

(ii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties and the respective closing balances for the financial year:

(₹ in Lakhs)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Financing transactions:		
Revenue transactions		
Sale of services		
ProConnect Supply Chain Solutions Limited	6.81	88.02
Liabilities waived		
Redington Gulf FZE, Dubai	-	178.12
Borrowings		
Redserv Global Solutions Limited	14.58	-
Closing balances		-
Trade receivables	-	-
ProConnect Supply Chain Solutions Limited	-	7.90

25. Income taxes

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

Particulars	Year ended March 31,	
	2023	2022
Profit before income taxes	(17.11)	157.22
Enacted tax rates in India	25.17%	25.17%
Computed expected tax expense	-	39.57
Effect of non-deductible expense	-	2.58
Effect of deduction under Income Tax Act	-	(40.89)
Income tax expense recognized in profit and loss	-	1.27

The details of income tax assets and income tax liabilities as at March 31, 2022 and March 31, 2021:

Particulars	Year ended March 31,	
	2023	2022
Income tax assets	1.37	2.74
Current income tax liabilities	-	1.27
Net current income tax asset/ (liability) at the end	1.37	1.47

The net deferred tax asset, as given in the following table, has not been recognised because it is not probable that future taxable profit will be available.

Particulars	As at 31-Mar-23	As at 31-Mar-22
Property, plant and equipment	-	(0.39)
Tax losses	-	-
Provision for employee benefits	-	1.80
Others	-	-
Total	-	**1.40**

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26. Financial instruments

a) Financial assets and liabilities

The following table shows the carrying amounts of financial assets and financial liabilities: **(₹ in Lakhs)**

Particulars	Note reference	Carrying amount as at March 31, 2023			
		FVTPL	FVOCI	Amortised cost	Total
Financial assets					
Trade receivables	5	-	-	5.75	5.75
Cash and cash equivalents	8	-	-	2.22	2.22
Other financial assets	6	-	-	0.30	0.30
Total		-	-	**8.26**	**8.26**
Financial liabilities					
Trade payables	13	-	-	2.90	2.90
Other Financial liabilities	16	-	-	-	-
Total		-	-	**2.90**	**2.90**

Particulars	Note reference	Carrying amount as at March 31, 2022			
		FVTPL	FVOCI	Amortised cost	Total
Financial assets					
Trade receivables	5	-	-	19.83	19.83
Cash and cash equivalents	8			10.66	10.66
Other financial assets	6	-	-	3.42	3.42
Total		-	-	**14.08**	**14.08**
Financial liabilities					
Borrowings	15				-
Trade payables	13	-	-	5.79	5.79
Other Financial liabilities	16	-	-	5.50	5.50
Total		-	-	**11.29**	**11.29**

b) Fair value hierarchy

The carrying amount of financial assets and financial liabilities is a reasonable approximation of their respective fair value. Hence, the information regarding fair value hierarchy is not separately disclosed.

c) Financial risk management

Financial risk factors

The Company's activities primarily expose it to credit risk, market risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer.

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Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. This matrix takes into account credit reports and other related credit information to the extent available. The maximum exposure to the credit risk at the reporting date is detailed in the table here below.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Rental deposits	0.30	0.30
Unbilled revenue	-	2.45
Trade receivables	5.75	19.83

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents.

As at March 31, 2023 the company had a working capital of Rs.(9.6) lakhs including cash and cash equivalents of Rs. 2.21 lakhs. As at March 31, 2022 the company had a working capital of Rs.10.21 lakhs including cash and cash equivalents of Rs. 10.66 lakhs.

As at March 31, 2022, the outstanding gratuity and compensated absences were Nil (for March 31, 2022, Rs.1.65 lakhs)and Nil (for March 31, 2022, Rs.5.48 lakhs), respectively, which are unfunded. Accordingly, to that extent, liquidity risk is perceived.

Market risk

The company has received advances from its parent for provision of services. In the event, such advances are returnable, it exposes the company to foreign currency risk.

The company's borrowing from its parent as of March 31, 2023 is Rs.14 Lakhs (for March 31, 2022, Nil) and is repayable in INR, hence there is no market risk.

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27. Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	31-Mar-2023	31-Mar-2022	Variance
Current ratio	Current assets	Current liabilities	0.45	1.36	-90.70%
Debt-Equity Ratio	Total debt	Shareholder's equity	-	-	0.00%
Return on Equity Ratio	Net profit after tax	Average shareholder's equity	1.59	(2.36)	394.30%
Trade receivables turnover ratio	Revenue	Average trade receivable	0.37	7.06	-669.10%
Trade payables turnover ratio	Purchase of services and other expenses	Average trade payables	1.10	3.55	-244.76%
Net capital turnover ratio	Revenue	Working capital	(1.99)	11.70	-1368.20%
Net profit ratio	Net profit	Revenue	(0.90)	1.31	-220.33%
Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed		13.42	

Entire deferred income tax for the year ended March 31, 2023 and March 31, 2022, relates to origination and reversal of temporary differences.

As per our report of even date
For ASVS & Co LLP
Chartered Accountants
Firm Registration Number : 009840S/S200077

Sudarshan Bothra
Partner
Membership Number 231350

Place : Chennai
Date :April 28, 2023

ASVS & Co LLP Chennai Chartered Accountants

For and on behalf of the Board

Sriram Ganeshan
Director
(DIN-07697113)

Sunder S
Director
(DIN-07697089)

REDSERV BUSINESS SOLUTIONS PVT. LTD.