Addverb Technologies Private Limited

Financial Statements

2021-22

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADDVERB TECHNOLOGIES PRIVATE LIMITED

Report on audit of the Standalone Financial Statements

Opinion

We have audited the accompanying financial statements of **ADDVERB TECHNOLOGIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information 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, 2022, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditors' report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial Statements and our auditors' report thereon. Our opinion on the financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of these financial Statements, our responsibility is to read the other information and, in doing so, consider whether such 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.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) In our opinion, the managerial remuneration for the year ended 31st March 2022 has bee paid/provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

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

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

i. The Company had disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the 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.

i) In our opinion and to the best of our knowledge and belief and as represented to us by the Company, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other source or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries as per Clause (e)(i) of Rule 11 of Companies Audit and Auditors Rules, 2014.

(j) In our opinion and to the best of our knowledge and belief and as represented to us by the Company, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding parties"), with the understanding, whether recorded in writing or otherwise, the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries as per Clause (e)(ii) of Rule 11 of Companies Audit and Auditors Rules, 2014.

Based on such audit procedures as considered reasonable by us, we have not come across anything to believe that the representations made by the Company for Clause (i) & (j) as above contain any material misstatement

(k) No dividend has been declared by the Company during the year. However, dividend paid during the year which was declared in the previous year is in compliance with Section 123 of the Companies Act 2013.

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

For RAY & RAY
Chartered Accountants
Firm Registration Number : 301072E

V.Raman
Partner
ICAI Membership No. 019839
Place : Chennai
Date : 19-04-2022
UDIN: 22019839AIQRXU9932

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)
Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ADDVERB TECHNOLOGIES PRIVATE LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of lnternal 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, to the best of our information and according to the explanations given to us, subject to the matter mentioned in para above, 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 March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAY & RAY
Chartered Accountants
Firm Registration Number: 301072E

V.Raman
Partner
ICAI Membership No. 019839
Place : Chennai
Date : 19-04-2022
UDIN: 22019839AIQRXU9932

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

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

   (b) The Company has maintained proper records showing full particulars of the intangible assets.

   (c) The Company has a regular programme for physical verification of its fixed assets by which its fixed assets are verified in a phased manner on a rotational basis covering all the fixed assets over a period of time. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets.

   (d) According to the information and explanation given to us by the Management, the Company has disclosed details of all immovable property in the financial statements for which the title deed is in the name of the Company.

   (e) According to the information and explanation given to us by the Management, the Company has not revalued any asset during the year except as required for adoption of relevant standards of Ind AS. The Company has adopted the deemed cost approach exemption for the same.

   (f) According to the information and explanation given to us by the Management, there has been no proceedings initiated against or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 and rules thereunder.

2. (a) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of physical verification is reasonable and procedure adopted by the Management for physical verification is reasonable and adequate in relation to the size of the Company and nature of its business.

   (b) The Company has been sanctioned working capital limit in excess of Rs 5 crores on the basis of the security of current assets during the year. The statements as required have been submitted to the banks and are in agreement with the books of accounts to the extent verified by us.

3. (a) During the year, the Company has made equity investment in subsidiaries, provided corporate guarantee to third party on behalf of the subsidiary and provided loans to its subsidiaries. The details are as follows:

   (Amt in lakhs)

Name of the Party	**Country**	**Relationship with the Company**	**Nature of transaction**	**Aggregate amount during the year**	**Balance outstanding as on 31.03.2022**
Addverb Technologies Pty Ltd	Australia	Wholly owned subsidiary	Equity investment	Rs 99.435	Rs 99.435

Name of the Party	Country	Relationship with the Company	Nature of transaction	Aggregate amount during the year	Balance outstanding as on 31.03.2022
Addverb Technologies Pte Ltd	Singapore	Wholly owned subsidiary	Equity investment	Rs 275.45	Rs 412.94
Addverb Technologies BV	Netherlands	Wholly owned subsidiary	Equity investment	Rs 0.088	Rs 0.088
Addverb Technologies USA Inc	USA	Wholly owned subsidiary	Equity investment	Rs 757.70	Rs 757.70
Addverb Technologies Pty Ltd	Australia	Wholly owned subsidiary	Loan granted	Rs 1,729.95	Rs 1729.95
Addverb Technologies BV	Netherlands	Wholly owned subsidiary	Loan granted	Rs 248.44	Rs 248.44
Addverb Technologies Pty Ltd	Australia	Wholly owned subsidiary	Corporate guarantee	AUD 212.97	AUD 212.97
Addverb Technologies Pte Ltd	Singapore	Wholly owned subsidiary	Bank guarantee	SGD 5.92	SGD 5.92

(b) According to the information and explanation given to us, the terms and conditions of the loans granted to the subsidiaries and the charge of interest thereon are not prejudicial to the interest of the Company and the interest rate charged are in arms length.

(c) For the loans granted to the subsidiaries, the due date for repayment of the principal amount and interest portion has been mentioned. However, the loans have not fallen due for payment during the financial year and hence there is no overdue with respect to these loans.

(d) The Company has not granted any loans or advances in the nature of loans which is either repayable on demand or without specifying any terms or period of repayment. Hence, we have nothing to report under this clause.

4. The Company has not granted any loans, made investments or given guarantees to directors or any other person in whom the director is interested and hence the provisions of Section 185 of the Companies Act do not apply. In respect of the loans, investments and guarantees given by the Company for the loans taken by others from banks or financial institutions, provisions of Section 186 of the Companies Act 2013 does not apply.

5. The Company has not accepted deposits or amounts which are deemed to be deposits. Hence, we have nothing to report under this clause.

6. The maintenance of cost records has been specified by the Central Government under Section 148(1) of Companies Act for the nature of manufacturing activities carried on by the Company. The Company has maintained the prescribed accounts and records. We have not made a detailed examination of those records and have relied on the report produced by the Cost Auditor.

7. (a) The Company has generally been regular in depositing undisputed statutory dues including

Goods and Service Tax, Provident Fund, Employees state insurance, income tax , sales tax, service tax , duty of customs, duty of excise and all other statutory dues. There have been no arrears of outstanding statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.
(b) There were no undisputed statutory dues that have not been deposited on account of any dispute. Hence, we have nothing to report under this clause.

8. According to the information and explanations provided to us, there were no instances of transactions not recorded in the books of accounts which were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961.

9. According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

10. According to the information and explanations given to us, the company has not been declared as a willful defaulter by any Bank or Financial Institution or any other lender.

11. According to the information and explanations given to us, the Company has obtained term loans which were applied for the purpose for which those loans were obtained.

12. According to the information and explanations given to us, the Company has not utilized short term loans for long term purposes.

13. 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 subsidiaries, associates or joint ventures. Hence, we have nothing to report under this clause.

14. According to the information and explanations given to us, the Company has not raised any loans during the year by pledging the securities held by it in its subsidiaries. Hence, we have nothing to report under this clause.

15. The company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, we have nothing to report under this clause.

16. During the year, the Company has not made private placement of shares in terms of Section 42 of the Companies' Act 2013. However, the Company has called up a portion of the partly paid shares during the year and the amount raised have been used for the purpose for which the funds were raised.

17. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year. The requirement to file Form ADT-4 as prescribed under Rule 13 of the Companies Audit and Auditors Rules 2014 is not applicable.

18. In our opinion and according to the information and explanations given to us, the Company has not received any whistle blower complaints during the year.

19. The Company is not a Nidhi Company. Hence, Clause 3(xii) shall not apply.

20. In our opinion and according to the information and explanation given to us, the Company is in compliance with Section 188 and 177 of the Companies Act 2013 where applicable, for all

transactions with the related parties and the details of the related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

21. The Company has an internal audit system which is commensurate with the size and nature of its business. The reports of the internal auditor were made available and considered by us.

22. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into non cash transactions with its directors or persons connected with him.

23. The Company is not required to be registered under Section 45-IA of the Reserve Bank Act 1934. Hence, we have nothing to report under this clause.

24. In our opinion, according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or House Finance activities during the year. Hence, we have nothing to report under this clause.

25. In our opinion, according to the information, representation and explanations given to us, the Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of the Order is not applicable.

26. In our opinion and according to the information and explanations given to us, the Company has not incurred any cash losses in the current financial year and the immediately preceding financial year.

27. There was no instance of resignation of the statutory auditor during the year. Hence, we have nothing to report under this clause.

28. According to the information and explanation given to us and on the basis of the financial ratios ageing and the expected dates of realization of financial assets and payment of financial liabilities, in our opinion, there is no material uncertainty existing as on the date of the Balance sheet and the Company would be capable to meet all its liabilities existing on the date as and when they fall due within a period of one year from the balance sheet date.

29. There were no amounts unspent in compliance with second proviso to sub section (5) of Section 135 of the said act. Hence, we have nothing to report under this clause.

For RAY & RAY
Chartered Accountants
Firm Registration Number: 301072E

V. Raman
Partner
ICAI Membership No. 019839
Place : Chennai
Date : 19-04-2022
UDIN: 22019839AIQRXU9932

Addverb Technologies Private Limited
Audited Balance Sheet as at March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

Particulars	Note	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
ASSETS				
Non-current assets				
Property Plant and equipment	3	6,604.51	6,232.21	294.23
Capital work-in-progress	4	492.94	297.10	1,566.57
Right of use assets	3	1,443.00	1,464.45	1,481.05
Intangible assets	5(a)	2,032.05	1,095.03	326.57
Intangible assets under development	5(b)	539.65	518.17	357.63
Financial assets	6			
Investments	6(a)	1,270.17	137.49	-
Other non-current financial assets	6(b)	433.98	13.54	1.21
Other non-current assets	8	2,016.72	39.08	421.23
Subtotal (A)		**14,833.02**	**9,797.07**	**4,448.49**
Current assets				
Inventories	9	5,962.73	3,087.19	1,772.38
Financial assets	10			
Investments	10(a)	11,740.44	5,606.97	-
Trade receivables	10(b)	9,886.20	9,249.48	3,513.10
Cash and cash equivalents	10(c)	237.63	368.77	947.37
Bank balances other than cash and cash equivalents	10(d)	279.07	987.71	1,178.91
Other current financial assets	10(e)	531.79	191.95	66.29
Income tax assets (net)	7	265.15	286.38	114.68
Other current assets	11	2,431.22	1,430.56	691.34
Subtotal (B)		**31,334.23**	**21,209.01**	**8,284.07**
Total Assets (A+B+C)		**46,167.25**	**31,006.08**	**12,732.56**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	12	51.22	50.99	36.98
Other equity	13	34,153.45	17,830.72	7,642.60
Subtotal (D)		**34,204.67**	**17,881.71**	**7,679.58**
LIABILITIES				
Non Current Liabilities				
Financial liabilities	14			
Borrowings	14(a)	404.27	1,328.41	26.79
Lease Liabilities	14(b)	449.09	449.14	449.21
Long term Provisions	15	203.90	92.52	36.99
Deferred tax liabilities (net)	16	272.88	40.24	10.99
Subtotal (E)		**1,330.14**	**1,910.31**	**523.98**
Current Liabilities				
Financial liabilities	17			
Borrowings	17(a)	944.37	943.57	1,193.95
Lease Liabilities	17(c)	0.05	0.05	0.05
Trade Payables	17(b)	6,138.28	5,361.34	2,286.39
Other financial liabilities	17(c)	-	0.90	0.65
Provisions	18	61.37	111.15	29.28
Other Current liabilities	19	3,488.37	4,797.05	1,018.68
Subtotal (F)		**10,632.44**	**11,214.06**	**4,529.00**
Total Equity and Liabilities (D+E+F)		**46,167.25**	**31,006.08**	**12,732.56**
Summary of corporate information and significant accounting policies	1&2			
The accompanying notes are an integral part of the financial statements.	3-43			

As per our report of even date

For RAY & RAY
Chartered Accountants
ICAI Firm registration number: 301072E

CA V Raman
Partner
Membership No: 019839
Date:19th April 2022

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited

Audited Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	20	27,321.41	19,214.11
Other income	21	535.23	176.28
Total Income		**27,856.64**	**19,390.39**
Expenses			
Cost of materials consumed	22(a)	15,878.85	13,382.25
Change in Inventories of finished goods and stock in trade	22(b)	-420.50	-75.31
Employee benefit expenses	23	6,906.39	4,029.96
Finance costs	24	319.57	261.86
Depreciation and amortisation expense	25	876.05	358.76
Other expenses	26	2,745.20	1,223.68
Total Expenses		**26,305.56**	**19,181.20**
Profit/(Loss) before exceptional items and tax from continuing operations		**1,551.08**	**209.19**
Exceptional items		-	-
Profit/(Loss) before tax from continuing operations		**1,551.08**	**209.19**
Tax Expense:	16		
Current tax		-	-
Deferred tax charge/(credit)		**232.63**	29.25
Total Tax Expenses		**232.63**	**29.25**
Profit/(Loss) for the year from continuing operations		**1,318.45**	**179.94**
Other comprehensive income			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		-30.80	-10.30
Other comprehensive loss for the year		-30.80	-10.30
Total comprehensive income/(Loss) for the year, net of tax		**1,287.65**	**169.64**
(comprising profit and other comprehensive income for the year)			
Earnings per equity share (INR):	28		
(a) Basic		259.12	48.00
(b) Diluted		259.12	47.94

Summary of corporate information and significant accounting policies — 1&2

The accompanying notes are an integral part of the financial statements. — 3-43

As per our report of even date
For RAY & RAY
Chartered Accountants
ICAI Firm registration number: 301072E

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

CA V Raman
Partner
Membership No: 019839
Date: 19th April 2022

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited
Statement of changes in equity for the year ended March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

A. Equity share capital

Equity share capital	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
For the period April 2021 - March 2022	50.99	-	50.99	0.23	51.22
For the period April 2020 - March 2021	36.98	-	36.98	14.01	50.99

B. Other equity

As at March 31, 2022

Particulars	Reserves and Surplus						Total
	Capital redemption reserve	Securities premium	Retained Earnings	Equity Component of Compound Financial Instruments	Re-measurement (Gains)/losses on defined benefit plans (OCI)	Share based Payment Reserve	
a) Balance as at April 1, 2021	67.75	17,497.84	212.45	5.61	-16.12	63.19	**17,830.72**
b) Profit/(Loss) for the year	-	-	1,318.45	-	-	-	**1,318.45**
c) Change during the year	-	-	-	-	-30.80	-15.60	**-46.40**
d) Changes on account of receipt of premium of 16922.58 per share in respect of 88635 shares	-	14,999.34	-	-	-	-	**14,999.34**
e) Conversion of ESOP into equity shares	-	51.34	-	-	-	-	**51.34**
f) Change on account of redemption of NCCRPS	5.00	-	-5.00	-	-	-	-
Balance as at March 31, 2022 (a+b+c+d+e+f)	**72.75**	**32,548.52**	**1,525.90**	**5.61**	**-46.92**	**47.59**	**34,153.45**

As at March 31, 2021

Particulars	Reserves and Surplus						Total
	Capital redemption reserve	Securities premium	Retained Earnings	Equity Component of Compound Financial Instruments	Re-measurement (Gains)/losses on defined benefit plans (OCI)	Share based Payment Reserve	
a) Balance as at April 1, 2020	-	7,544.35	32.81	60.16	-5.82	11.10	**7,642.60**
b) Conversion of CCPS into Equity	67.75	-	-	-	-	-	**67.75**
c) Conversion of Compulsory convertible debentures into equity	-	-3,392.03	-	-	-	-	**-3,392.03**
d) On conversion of CCD into equity shares	-	3,398.77	-	-	-	-	**3,398.77**
e) Loss for the year	-	-	179.94	-	-	-	**179.94**
f) Changes during the year	-	9,992.02	-0.30	-54.55	-10.30	52.09	**9,978.96**
g) Transaction costs arising on issue of shares (adjusted)	-	-45.27	-	-	-	-	**-45.27**
Balance as at March 31, 2021 (a+b+c+d+e+f+g)	**67.75**	**17,497.84**	**212.45**	**5.61**	**-16.12**	**63.19**	**17,830.72**

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For Ray & Ray
Chartered Accountants
ICAI Firm registration number: 301072E

CA V Raman
Partner
Membership No: 019839
Date: 19th April 2022

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited
Audited Statement of Cash Flow for the year ended March 31, 2022
(All amounts in INR lakhs unless stated otherwise)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) before tax		1,551.08	209.19
Adjustment for :			
Transfer to reserve		-	-
Dividend paid		-	-
Depreciation and amortisation expense		876.05	358.76
Interest income		-79.77	-46.43
Fair value gain on financial assets measured at fair value through profit or loss*		-160.64	-6.97
Finance costs		233.94	234.35
Re-measurement losses on defined benefit plans		-30.80	-10.30
Profit on sale of investments		-130.02	-
Provision for doubtful debts		94.88	10.44
Operating Profit before Working Capital changes		**2,354.72**	**749.04**
Change in operating assets and liabilities			
Adjustments for (increase)/decrease in operating assets:			
Inventories		-2,875.54	-1,314.81
Trade Receivables		-731.60	-5,746.82
Other Current Financial assets		-351.13	-127.54
Other Current Assets		-1,000.66	-739.22
Other Non Current Financial Assets		-420.44	-12.33
Adjustments for increase / (decrease) in operating liabilities :			
Trade Payables		776.94	3,074.95
Change in Provisions		61.60	137.40
Other Current Liabilities		-1,308.65	3,778.38
Changes in working Capital		**-5,849.48**	**-949.99**
Net Income tax		21.23	-171.70
Net Cash flow generated from Operating Activities	(A)	**-3,473.53**	**-372.65**
(B) CASH FLOW FROM INVESTING ACTIVITIES			
Additions of Property, Plant & Equipment		-2,380.50	-5,557.53
Additions to Investments in Subsidiaries		-1,132.69	-137.49
Sale/Purchase of Investment		-5,842.81	-5,600.00
Loan to related parties		-1,978.39	-
Withdrawl/Creation of Fixed deposits		708.64	191.20
Interest Received		91.07	48.31
Net cash flow generated / (used in) Investing Activities	(B)	**-10,534.68**	**-11,055.51**
(C) CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		0.22	14.01
Change in security premium		15,050.68	9,953.49
Change in other equity		-	-54.55
Change in Capital redemption reserve		-	67.75
Dividend paid		-	-0.30
Change in Borrowings		-923.34	1,051.23
Change in Share Based Payment Reserve A/c		-15.60	52.09
Interest paid		-234.84	-234.10
Principal Payment of lease liability		-0.05	-0.06
Net Cash (used in) Financing Activities	(C)	**13,877.07**	**10,849.56**
Net (decrease) / Increase in Cash and Cash Equivalents	(A+B+C)	-131.14	-578.60
(D) Cash and cash equivalent at the beginning of the year	13	368.77	947.37
Cash and cash equivalent at the end of the year	13	237.63	368.77

Notes 1 to 43 form part of the Financial Statements

As per our report of even date
For Ray & Ray
Chartered Accountants
ICAI Firm registration number: 301072E

CA V Raman
Partner
Membership No: 019839
Date:19th April 2022

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited
Audited notes to financial statements for the year ended March 31, 2022
(All amounts in INR lakhs unless stated otherwise)

1 Corporate information

Addverb Technologies Private Limited, (hereinafter referred to as “Addverb” or “the Company”) is a Company incorporated and registered under the provisions of the Companies Act 2013, having its registered office at Plot no. 5, Sector 156, Noida, 201301, Uttar Pradesh. Addverb is engaged in the business of robotics and automation solutions in warehousing, healthcare and manufacturing. The Company is engaged into transforming digitally the process of material handling that is aimed at augmenting safety, scalability and flexibility.

2 Significant accounting policies

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance withn Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereof issued by the Ministry of Corporate Affairs (MCA) in exercise of the powers conferred by section 133 of the Companies Act, 2013.

For all periods up to and including the year ended 31st March 2022, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31st March, 2022 are the first time the Company has prepared in accordance with Ind-AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities that have been carried at fair value:

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

The financial statements are presented in Rupees (INR) and all values are recorded to the nearest Lakhs (INR'00,000), except otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Company classifies all other liabilities as non-current.

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

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

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.
• The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

• Disclosures for valuation methods, significant estimates and assumptions
• Financial instruments (including those carried at amortised cost)

c) Revenue recognition

The Company has adopted Ind AS 115 “Revenue from Contracts with Customers” effective April 1, 2020. Ind AS 115 supersedes Ind AS 11 “Construction Contracts” and Ind AS 18 “Revenue”. The Company has applied Ind AS 115 using the modified retrospective method and the cumulative impact of transition to Ind AS 115 has been adjusted against the Retained earnings as at April 1, 2020. Accordingly, the figures of the previous year are not restated under Ind AS 115.

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised goods or services to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring good or service to a customer excluding amounts collected on behalf of a third party. Payment terms agreed with a customer are as per business practice and there is no financing component involved in the transaction price.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in Profit & Loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

Significant judgments are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.

Impairment loss (termed as provision for foreseeable losses in the financial statements) is recognized in profit or loss to the extent the carrying amount of the contract asset exceeds the remaining amount of consideration that the company expects to receive towards remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations). In addition, the Group recognises impairment loss (termed as provision for expected credit loss on contract assets in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

For contracts where the aggregate of contract cost incurred to date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract asset and termed as “Due from customers”. For contracts where progress billing exceeds the aggregate of contract costs incurred to-date plus recognised profits (or minus recognised losses, as the case may be), the surplus is shown as contract liability and termed as “Due to customers”. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability and termed as “Advances from customer”. The amounts billed on customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by the customers pending completion of performance milestone is disclosed as part of contract asset and is reclassified as trade receivables when it becomes due for payment.

Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

d) Taxes

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

• In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

• In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Company is entitled to a Tax holiday under the income Tax Act, 1961 enacted in or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

• When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

• When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Addverb Technologies Private Limited
Audited notes to financial statements for the year ended March 31, 2022
(All amounts in INR lakhs unless stated otherwise)

e) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at original cost net of tax / duty credits availed, if any less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. The Company has aligned the useful life of its fixed assets with those specified in Part C of Schedule II to the Companies Act, 2013 wherever the useful lives of assets are determined Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets as follows except leasehold land:

Plant and Machinery	15 years
Office equipment	5 years
Furniture and Fixtures	10 years
IT equipment	3-6 years
Software	3-5 years
Technical know how	5 years

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

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful life are amortised on straight line basis over estimated useful life of 3-5 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.
Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.
Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Addverb Technologies Private Limited
Audited notes to financial statements for the year ended March 31, 2022
(All amounts in INR lakhs unless stated otherwise)

h) Leases

The Company has applied Ind AS 116 Leases for the first time. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet. The Company has adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2020. Under this approach Right- To-Use Asset has been recognised at Rs. 14.54 Crores by reclassifying the land into Right of use asset and corresponding Lease Liability have been recognised at INR 4.49 Crore as at April 1, 2020. Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact on opening reserves.

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

Company as a lessee

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

i) **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of- use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets which includes leasehold land with lease term of 90 years.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) **Lease Liabilities**

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.
Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.
The Company has decided to recognise operating lease as expense/ income on a straight-line basis since the management believes that straight-line method is more representative of the time pattern of the user's benefit.

i) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower Costs incurred in bringing each product to its present location and condition are accounted for as follows:

• Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.

• Finished goods: Cost of Finished Goods include material cost, cost of conversion, other overheads to the extent applicable and excise duty.

• Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses.
• Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

• Stores and spares: are stated at cost less provision, if any, for obsolescence.
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Addverb Technologies Private Limited
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j) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) Provisions

General

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

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

Contingent liability

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

l) Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it is recognised as Income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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m) Gratuity and other post-employment benefits

Defined Contribution plans:
Contribution towards Superannuation Fund, Pension Fund, government administered Provident Fund and Employee State Insurance Scheme are treated as Defined Contributions Schemes. In respect of contributions made to Superannuation Fund, Pension Fund, government administered Provident Fund and Employee State Insurance Scheme, the Company has no further obligations beyond its monthly/yearly contributions. Such Contributions are recognized as expense in the period in which the employee renders related service.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined Benefit plans:

The employees gratuity fund scheme is the Company's defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation as per the Projected Unit Credit method. Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date.

Re- measurements arising from defined benefit plans comprise actuarial gains and losses on benefit obligations, the return on plan assets in excess of what has been estimated and the effect of asset ceiling, if any, in case of over funded plans. The company recognises these items of re-measurements immediately in other comprehensive income and all the other expenses related to defined benefit plans in employee benefit expenses in profit and loss account.

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

• The date of the plan amendment or curtailment, and

• The date that the Company recognises related restructuring costs

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

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

Other Long-term Benefits:
The obligation for long term employee benefits such as long term compensated absences, long service award etc. is recognized in the similar manner as in the case of defined benefit plans as mentioned above.

Short term employee benefits
Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

n) Earnings per share
Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.
Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.
For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

o) Onerous Contracts
If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities)."

p) Cash flow statements
The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

q) Financial guarantee contracts

Financial guarantee contracts issued by the group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

r) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortised cost
• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
• Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. Debt instrument at FVTOCI A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

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

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument byinstrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

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

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

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

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

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

Impairment of financial assets

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

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

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

(c) Lease receivables under Ind-AS 116

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

• All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

• Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

• Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

• Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

• Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

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

This category generally applies to borrowings.

Derecognition

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

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

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

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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Offsetting of financial instruments

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

s) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

t) Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period which they arise.

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

u) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

v) Share-based payments

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

Equity-settled transactions

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

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

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w) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management of the company.

Identification of segments

The Company's management examines the Company's performance both from a product and geographic perspective. The Company's operating businesses are organised and managed separately according to the nature of products, with each segment representing a strategic unit that offers different products and serves different markets.

The analysis of the geographical segments is based on the areas in which major operating divisions of the Company operate. Revenues and receivables are specified by location of customers while other geographical information is specified by the location of the assets. Since all the assets are located in and revenue from customers located out of is less than 10% of total revenue, there are no reportable geographical segments.

As per our report of even date
For Ray & Ray
Chartered Accountants
ICAI Firm registration number: 301072E

CA V Raman
Partner
Membership No: 019839
Date:19th April 2022

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited

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3 Property, plant and equipment

Particulars	Office Equipment	Plant & Machinery	Furniture & Fittings	IT Equipments	Buildings	Electrical Installation and Equipment	Land - Leasehold improvements	Right of Use Assets	Total
Gross block									
As at April 1, 2020	35.17	142.93	26.15	164.50	2.10	-	1,029.17	-	**1,400.02**
Impact of IND-AS Adjustments	-	-	-	-	-	-	-1,029.17	1,481.05	**451.88**
Additions during the year	87.36	2,132.63	555.55	322.11	2,798.90	246.27	16.29	-	**6,159.11**
Disposals/ adjustments	-	-12.58	-7.66	-0.47	-	-	-	-	**-20.71**
As at March 31, 2021	122.53	2,262.98	574.04	486.14	2,801.00	246.27	16.29	1,481.05	**7,990.30**
Additions during the year	100.86	323.53	48.79	314.55	111.04	9.64	0.00	-	**908.41**
Disposals/ adjustments	-	-	-	-	-	-	-	-	**-**
As at March 31, 2022	**223.39**	**2,586.51**	**622.83**	**800.69**	**2,912.04**	**255.91**	**16.29**	**1,481.05**	**8,898.71**
Accumulated depreciation									
As at April 1, 2020	6.68	13.07	4.19	51.11	1.57	-	-	-	**76.62**
Impact of IND-AS Adjustments	-	-	-	-	-	-	-	-0.00	**-0.00**
Depreciation for the year	9.41	71.56	8.54	82.59	27.84	5.94	0.23	16.60	**222.71**
Disposals/ adjustments	-	-3.48	-2.19	-0.02	-	-	-	-	**-5.69**
As at March 31, 2021	16.09	81.15	10.54	133.68	29.41	5.94	0.23	16.60	**293.64**
Depreciation for the year	33.18	163.31	55.59	165.10	91.65	24.02	3.26	21.45	**557.56**
Disposals/ adjustments	-	-	-	-	-	-	-	-	**-**
As at March 31, 2022	**49.27**	**244.46**	**66.13**	**298.78**	**121.06**	**29.96**	**3.49**	**38.05**	**851.20**
Net Block									
As at April 1, 2020	**28.49**	**129.86**	**21.96**	**113.39**	**0.53**	**-**	**-**	**1,481.05**	**1,775.28**
As at March 31, 2021	**106.44**	**2,181.83**	**563.50**	**352.46**	**2,771.59**	**240.33**	**16.06**	**1,464.45**	**7,696.66**
As at March 31, 2022	**174.12**	**2,342.05**	**556.70**	**501.91**	**2,790.98**	**225.95**	**12.80**	**1,443.00**	**8,047.51**

4 Capital work-in-progress

	As at March 31 2022	As at March 31 2021	As at April 01 2020
Capital work-in-progress	492.94	297.10	1,566.57
	492.94	**297.10**	**1,566.57**

CWIP ageing schedule

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	>3 years	Total
Projects in progress As at March 31, 2022	492.94	-	-	-	**492.94**
Projects in progress As at March 31, 2021	236.25	60.85	-	-	**297.10**

(i) For capital commitments towards acquisition of property, plant and equipment and capital work-in-progress, please refer note no. 33

(ii) Property plant and equipment are subject to charge to secure the company's borrowings

(iii) No CWIP projects is overdue against the planned period and remained within the planned costs as on March 31, 2022.

Addverb Technologies Private Limited

Audited Notes to financial statements for the year ended March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

5(a) Intangible assets

Particulars	Software & Technical know how	Total
Gross block		
As at April 1, 2020	382.87	382.87
Impact of IND-AS Adjustments	-	-
Additions during the year	889.71	889.71
Disposals/ adjustments	-	-
As at March 31, 2021	1,272.58	1,272.58
Additions during the year	1,255.52	1,255.52
Disposals/ adjustments	-	
As at March 31, 2022	**2,528.10**	**2,528.10**
Accumulated amortisation		
As at April 1, 2020	56.30	56.30
Impact of IND-AS Adjustments	-	-
Depreciation for the year	121.25	121.25
Disposals/ adjustments	-	-
As at March 31, 2021	177.55	177.55
Additions during the year	318.50	318.50
Disposals/ adjustments	-	-
As at March 31, 2022	**496.05**	**496.05**
Net Block		
As at April 1, 2020	**326.57**	**326.57**
As at April 1, 2021	**1,095.03**	**1,095.03**
As at March 31, 2022	**2,032.05**	**2,032.05**

5(b) Intangible assets under development

Particulars	Total
As at March 31, 2022	539.65
As at March 31, 2021	518.17
As at April 01, 2020	357.63

Comprises technical know how under development

Intangible assets under development ageing schedule					
Particulars	**Amount for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Projects in progress As at March 31, 2022	341.85	133.49	64.31	-	**539.65**
Projects in progress As at March 31, 2021	402.24	106.91	9.02	-	**518.17**

Addverb Technologies Private Limited
Audited Notes to financial statements for the year ended March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

6 Non-current financial assets

6(a) Investments

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Investments at cost			
Unquoted			
Investment in Subsidiary (Carried at Deemed Cost)			
7,55,000 equity shares of Addverb Technologies Pte Ltd, Singapore (Face value SGD 1 per share) (March 31, 2021: 2,55,000 shares)	412.94	137.49	-
17,500 equity shares of Addverb Technologies Pty Ltd, Australia (Face value AUD 10 per share)(March 31, 2021: Nil shares)	99.44	-	-
100 equity shares of Addverb Technologies B.V, Netherlands (Face value Euro 1 per share) (March 31, 2021: Nil shares)	0.09	-	-
10,000 equity shares of Addverb Technologies USA Inc.,USA (Face value USD 100 per share) (March 31, 2021: Nil shares)	757.70	-	-
Total	**1,270.17**	**137.49**	**-**
Aggregate book value of unquoted investments	1,270.17	137.49	-

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities. These equity shares are designated as FVTOCI as they are not held for trading purpose. Thus disclosing their fair value fluctuation in profit and loss will not reflect the purpose of holding.

During the FY 2019-20, the Company incorporated a wholly owned subsidiary ("WOS") in Singapore by the name of "Addverb Technologies Pte. Ltd.". The Company made investments in the equity share capital of the said WOS amounting to Rs. 137.49 lakhs (for 2,55,000 equity shares) in FY 2020-21 and Rs 275.45 lakhs (for 5,00,000 equity shares) in FY 2021-22, respectively. Further, during the financial year 2020-21, the Company incorporated two wholly owned subsidiaries, namely "Addverb Technologies Pty. Ltd." in Australia and "Addverb Technologies B.V." in Netherlands. During the financial year 2021-22, the Company invested Rs. 99.435 lakhs (for 17,500 equity shares) in the equity share capital of the WOS in Australia and Rs. 8,880 (for 100 equity shares) in the equity share capital of the WOS in Netherlands. In the FY 2021-22, the Company also incorporated a WOS by the name of "Addverb Technologies USA Inc" in U.S.A. and invested Rs. 757.70 lakhs (for 10,000 equity shares) in its equity share capital.

Impairment on FVTOCI investments

The Company assesses at each reporting date whether there is an indication that an investment may be impaired.In the current year, the Company has not identified any impairment on the above mentioned investment held at FVTOCI

6(b) Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at amortised cost			
(Unsecured, considered good)			
Security deposits	433.98	13.54	1.21
Total	**433.98**	**13.54**	**1.21**

7 Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Advance income tax (net of provision and MAT credit)	265.15	286.38	114.68
Total	**265.15**	**286.38**	**114.68**

8 Other non current assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(Unsecured, considered good)			
Capital advances	38.33	39.08	421.23
Loan to related parties	1,978.39	-	-
Total	**2,016.72**	**39.08**	**421.23**

9 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Inventories are valued at lower of cost or net realizable value			
Raw material, packing material, stores and others	5,466.91	3,011.88	1,772.38
Work in progress	242.77	37.75	-
Finished goods	253.05	37.56	-
Total	**5,962.73**	**3,087.19**	**1,772.38**

During the year ended 31st March 2022, 31st March 2021 and April 01, 2020 no amount was recognised as an expense for inventories carried at net realisable value.

1. There has been no write down of inventories to net realisable value or subsequent reversal thereof during the period.
2. There is a Pari passu charge on the inventories in respect of the loan taken by the Company as mentioned in note 14(a)

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(All amounts in INR lakhs unless stated otherwise)

10 Current financial assets

10(a) Investments

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at fair value through profit and loss			
Investment in mutual fund - quoted*	11,740.44	5,606.97	-
Total	**11,740.44**	**5,606.97**	**-**

*Investment in mutual fund - quoted measured at cost amount to 11,572.82 lacs (as on March 31, 2022) and 5,600 lacs (as on March 31, 2021)

10(b) Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at amortised cost			
Trade receivables	10,012.98	9,276.82	3,530.00
Less: Impairment allowance (allowance for doubtful debts)	(126.78)	(27.34)	(16.90)
Total receivables	**9,886.20**	**9,249.48**	**3,513.10**
Current portion	9,886.20	9,249.48	3,513.10
Non-current portion	-	-	-

Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Secured, considered good	-	-	-
Unsecured, considered good	9,886.20	9,249.48	3,513.10
Credit impaired	126.78	27.34	16.90
Total	**10,012.98**	**9,276.82**	**3,530.00**
Allowance for doubtful debts	(126.78)	(27.34)	(16.90)
Total trade receivables	**9,886.20**	**9,249.48**	**3,513.10**

Particulars	Trade receivable ageing schedule as at March 31, 2022					
	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	9,637.22	224.46	24.52	-	-	9,886.20
Undisputed Trade Receivables - Others	-	-	-	-	-	-

Particulars	Trade receivable ageing schedule as at March 31, 2021					
	Less than 6 months	6months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	9,103.69	50.08	53.51	42.20	-	9,249.48
Undisputed Trade Receivables - Others	-	-	-	-	-	-

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

- The Company is in the process of obtaining balance confirmations from debtors aggregating to Rs 473.43 lakhs out of which the customers have acknowledged invoices aggregating to Rs 270.95 lakhs. As on 31st March 2022, the Company is in the process of reconciliation of balance aggregating to Rs 202.48 lakhs

- Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- The provision for the impairment of trade receivable has been made in the previous year on the basis of the expected credit loss method and other cases based on management judgement.

10(c) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at amortised cost			
Balances with banks			
on current accounts	234.15	366.14	140.16
on deposits with original maturity of less than 3 months	-	-	797.28
Cash on hand	3.48	2.63	9.93
Total	**237.63**	**368.77**	**947.37**

Cash at banks do not earn any interest.
There are no repatriation restrictions with regard to cash and cash equivalents.

Addverb Technologies Private Limited
Audited Notes to financial statements for the year ended March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

10(d) Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at amortised cost			
Fixed deposits with HDFC Bank - original maturity more than 3 months and remaining maturity of less than 12 months from the Balance Sheet date	4.00	924.21	1,178.91
Fixed deposits with ICICI Bank - original maturity more than 3 months and remaining maturity of less than 12 months from the Balance Sheet date*	206.04	-	-
Fixed deposits with Kotak Bank - original maturity more than 3 months and remaining maturity of less than 12 months from the Balance Sheet date	0.26	-	-
Lein deposit with Axis Bank	68.77	63.50	-
Total	**279.07**	**987.71**	**1,178.91**

*Margin money deposits consist of Fixed Deposit at ICICI Bank for imported Machines

10(e) Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at amortised cost			
(Unsecured, considered good)			
Security deposits	10.85	21.05	23.50
Interest accrued/receivable on deposits	7.74	19.04	20.92
Receivable from Related parties	-	-	5.38
Other receivables	513.20	151.86	16.49
Total	**531.79**	**191.95**	**66.29**

There have been no recognition of loss on account of impairment of the above financial assets or reversal of any such losses during the current period.

11 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(Unsecured, considered good)			
Advances to employees	126.27	47.99	2.12
Prepaid expenses	197.56	93.25	38.01
Advances to suppliers	1,932.86	967.53	489.80
Balances with statutory authorities	174.53	321.79	161.41
Total	**2,431.22**	**1,430.56**	**691.34**

- No advances are due from directors or other officers of the Company either severally or jointly with any other person. Nor any advances are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

- The company is in the process of reconciling the balance in GST with the electronic credit ledger as per GST portal.

12 Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Authorised (refer note (a))			
5,50,000 equity shares of INR 10/- each	55.00	55.00	55.00
90,000 Preference shares of INR 100/- each **	90.00	90.00	90.00
	145.00	**145.00**	**145.00**
Issued, subscribed and fully paid-up capital (refer note (b) and (c))			
4,25,736 equity shares of INR 10 Each (As at March 31, 2021: 4,30,060 April 01, 2020: 3,69,823) #	42.57	43.01	36.98
Issued, subscribed and partly paid-up capital (refer note (b) and (c))			
88,635 Equity Shares of Rs 10 each, Rs 9.75 paid-up (As at March 31, 2021: Rs. 9 paid up) ****	8.64	7.98	
Total	**51.22**	**50.99**	**36.98**

60,237 equity shares were issued in FY 2020-21 on conversion of : Compulsorily Convertible Preference shares into 48,102 equity shares and Compulsorily convertible debentures into 12,135 equity shares. 4,419 equity shares were issued to employees in FY 21-22 under ESAR Plan 2020. In FY 21-22 , 8,743 fully paid up equity shares have been bought back from existing shareholders.

**On 9th July 2021, 5000 6% Non - Convertible Cumulative Redeemable Preference shares have been redeemed and the dividend accrued has been paid to the Preference share holders.

**** 88,635 equity shares were issued to M/s Reliance Retail Ventures Limited in the month of March 2021 at an issue price of Rs 33,846.76/- (including premium per share of Rs. 33,836.76/- and face value of Rs. 10/-). Face value of Rs 9.75 per share has been called-up and paid-up as on 31st March 2022. Further, M/s Reliance Retail Ventures Limited has acquired 2,02,149 equity shares from existing shareholders in July 2021.

As at 1-04-2020, Non-convertible Cumulative Redeemable Preference shares of Rs.100/- each and Compulsory Convertible Preference Shares of Rs.100/- each has been reclassified as financial liability in accordance with Ind AS 109 - Financial Instruments. The Non - convertible Cumulative Redeemable Preference shares carry a dividend of 6% per annum which is cumulative accrued on a yearly basis. The preference shares rank ahead of the equity shares in the event of a liquidation. Pursuant to the approval by Board of Directors in its meeting conducted on 29th May 2019, the Company had made a bonus issue of 72,560 0.01% compulsorily convertible preference shares (CCPS) having face value of Rs 100 per share to its existing equity shareholders out of the Securities premium reserve account (allotment date being 29th May 2019). These preference shares were converted into equity shares in the ratio of 1:0.663 during FY 2020-21. The Non-convertible Cumulative Redeemable Preference shares reclassified as financial liability as at 1-04-2020 carry preferential right vis-à-vis equity shares of the company with respect to payment of dividend and repayment in case of winding up or repayment of capital. They carry voting rights only in respect of certain matters as per the provisions of 47(2) of the Companies Act 2013.

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(All amounts in INR lakhs unless stated otherwise)

(i) Reconciliation of ordinary

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Equity shares subscribed	**Number of shares**	**Number of shares**	**Number of shares**
As at beginning of the year (as at 31-03-2021)	5,18,695	3,69,823	2,90,241
Less: Buyback of shares	8,743	-	-
Add: additions during the year	4,419	1,48,872	79,582
At the end of the year	**5,14,371**	**5,18,695**	**3,69,823**

The equity shares of the Company having face value of Rs.10/- per share, rank pari passu in all respects including voting rights and entitlement to dividend. There are no restrictions attached to the equity shares.

(ii) Particulars of shareholders holding more than 5% equity shares

Particulars	March 31, 2022		March 31, 2021	
	Number	% holding in the class	Number	% holding in the class
Equity shares of INR 10 each fully paid-up and held by:				
Mr. Amit Kumar	13,743	2.67%	43,715	8.43%
Mr. Neeraj Sharma	-	0.00%	43,715	8.43%
Mr. Sangeet Kumar	22,906	4.45%	72,859	14.05%
Mr. Prateek Jain	18,324	3.56%	58,287	11.24%
Mr. Bir Singh	13,766	2.68%	29,143	5.62%
M/s. Smiti Holding and Trading Company Private Limited	1,48,947	28.96%	1,48,947	28.72%
M/s. Reliance Retail Ventures Limited (Holding Company/Promoter)	2,02,149	39.30%	-	0.00%
Equity shares of INR 10 each partly paid-up and held by: M/s. Reliance Retail Ventures Limited (Holding Company/Promoter)	88,635	17.23%	88,635	17.09%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iii) Terms/rights attached to equity shares:
The Company has only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. 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.

13 Other equity

	Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(A)	**Reserve and surplus**			
	Security premium			
	Opening balance	17,497.84	7,544.35	7,544.35
	Addition on issue of shares during the year	14,999.34	9,992.02	-
	Addition on conversion of CCD into equity shares	-	3,399.15	-
	Addition on conversion of ESOP into equity shares	51.34	-	-
	Less: On conversion of CCD into equity shares	-	-0.38	-
	Less: Premium reversal relating to coversion of Compulsory Convertible Debentures into equity share	-	-3,392.03	-
	Less: Transaction costs arising on issue of shares (adjusted)	-	-45.27	-
	Closing balance (A)	**32,548.52**	**17,497.84**	**7,544.35**

The excess of aggregate consideration received over the face value of shares issued during the year and previous years has ben credited to Securities premium account. The reserve can be used for purposes as permissible in the Companies Act, 2013.

	Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
(B)	**Capital Redemption Reserve**			
	Opening balance	67.75	-	-
	Add:On conversion of CCPS into equity shares (48102 equity share issued against 72560 CCPS) during FY 20-21	-	67.75	-
	On redemption of non convertible redeemable preference shares	5.00	-	-
	Closing balance (B)	**72.75**	**67.75**	**-**
(C)	**Retained earnings**			
	Opening balance	212.45	32.81	33.12
	Profit/(Loss) for the year	1,318.45	179.94	-
	Less: Transferred to Capital Redemption Reserve	-5.00	-	-
	Less: Dividend paid	-	-0.30	-0.31
	Closing balance (C)	**1,525.90**	**212.45**	**32.81**
(D)	**Equity component of compound instruments**			
	Opening balance	5.61	60.16	60.16
	Changes during the year	-	-54.55	-
	Closing balance (D)	**5.61**	**5.61**	**60.16**

There are no changes during the year 2021-22 since all the compound financials instruments have been converted / redeemed

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(E) **Re-measurement (Gains)/losses on defined benefit plans (OCI)**			
Opening balance	-16.12	-5.82	-5.82
Changes during the year	-30.80	-10.30	-
Closing balance (e)	**-46.92**	**-16.12**	**-5.82**
(F) **Share based Payment Reserve**			
Opening balance	63.19	11.10	11.10
Changes during the year	-15.60	52.09	-
Closing balance (F)	**47.59**	**63.19**	**11.10**

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 30 for further details of these plans.

Total (A+B+C+D+E+F)	**34,153.45**	**17,830.72**	**7,642.60**

14 Non-current financial liabilities

14(a) Borrowings (carried at amortised cost)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at April 1, 2020**
Secured loan			
From Banks*	890.86	1,527.99	-
Less: Current maturities of long term loan from Banks	-707.97	-642.33	-
From Financial Institutions**	457.78	676.54	-
Less: Current maturities of long term loan from Financial institutions	-236.4	-236.40	-
Unsecured loan			
Liability component of compound financial instruments			
6% Non-Convertible Cumulative Redeemable Preference Shares (5,000 shares @RS. 100 face value)	-	2.61	2.61
0.01% Compulsory Convertible Preference Shares (72,560 shares @Rs. 100 face value each)	-	-	17.81
0.01% Compulsorily Convertible Debentures (79,582 nos @ Rs.10 face value each)#	-	-	6.37
Total	**404.27**	**1,328.41**	**26.79**

*During the year 2020 - 2021, company has taken term loan facility of Rs.18 crores from Axis Bank Limited towards capital commitments for the new factory in Noida - Sector 156 - with an interest at 9.5% p.a. and repayable in 33 equated monthly installments before Jul 2023. Security - a) Pari passu charge on current assets of the company, both present and future ; b) Pari-passu equitable mortage on the new factory facility; c) Pari-passu on all movable and immovable property (including CWIP) and MFA existing as well as future; d) DSRA equivalent to 1 month of Fixed deposit marked under lien to lenders.

**During the year 2020-21, company has availed Buyers credit facility for equipment finance to the extent of Rs.6.76 crores for the new factory in Noida - Sector 156 - repayable in 3 years i.e. by Aug 2023. Out of 6.76 crores, Outstanding balance as on 31st March 2022 is Rs. 457.78 lacs. Company has the option to avail the roll over facility at the end of every year. At the time of rollover, the payment effected by the company in the DSRA during buyers credit tenure will be adjusted against the buyers credit amount and the balance amount will be rolled over for subsequent year at the option of the company.

0.01% Compulsorily Convertible Debentures (79582 nos @ Rs.10 face value per debenture and Rs.4262.31 premium per debenture) has been issued in 2019-20 and converted into equity shares in 2020-21

The Company has not defaulted in on any loans payable.

14(b) Other non-current financial liabilities

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at April 1, 2020**
Leases carried at amortised cost			
Non-current	449.09	**449.14**	449.21
Total	**449.09**	**449.14**	**449.21**

15 Long-term provisions

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at April 1, 2020**
Employee benefit provisions			
Bonus and Gratuity	203.90	92.52	36.99
Total	**203.90**	**92.52**	**36.99**

16 Income taxes	**As at March 31, 2022**	**As at March 31, 2021**	**As at April 1, 2020**
The major components of income tax expense for the years ended March 31, 2022, March 31, 2021 and April 01, 2020 are:			
(a) Profit or loss section			
Current tax:			
Current tax on profits for the year	-	-	-
Adjustments in respect of current income tax of previous year	-	-	-
Total current tax expense	-	-	-
Deferred Tax			
Deferred tax Liabilities/ (Asset) at the beginning of the period	40.24	10.99	-
Changes during the year			
Relating to origination and reversal of temporary differences	232.64	29.25	10.99
Total deferred tax charge (credit)	**272.88**	**40.24**	**10.99**
Deferred tax Liabilities/ (Asset) at the End of the period	272.88	40.24	10.99
Income tax expense (income) reported in the statement of profit or loss	**232.64**	**29.25**	**10.99**

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(b) Reconciliation of tax expense and the accounting profit multiplied by's domestic tax rate for March 31, 2022

Accounting profit / (loss) before income tax	**1,551.08**	**209.19**	
At's statutory income tax rate of 29.12% (March 31, 2021: 27.82%)	451.68	58.20	
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Tax effect of Carry forward losses utilised	-84.70	-185.84	
Tax effect of Expenses not Allowed	334.23	127.65	
Tax effect of Additional Allowances	-701.21	-	
Tax rate effect due to applicability of MAT provisions	247.31	-	
MAT Credit Generated	-247.31	-	
Others	-	-	
Total adjustments	**-451.68**	**-58.19**	
Income tax expense/ (income)	**-0.00**	**0.01**	
Deferred tax asset / (liability)	**232.63**	**29.25**	**10.99**
Incremental Deferred Tax Liability on account of PPE	**395.24**	**313.51**	3.12
Incremental Deferred Tax Liability on account of Financial Assets & Other items	**-162.61**	**-284.26**	7.87
Deferred Tax Provision (B)	**232.63**	**29.25**	**10.99**
Tax Expenses recognised in Statement of Profit and Loss (A+B)	**232.63**	**29.25**	**10.99**
Effective Tax Rate	**49%**	**49%**	**49%**

17 Current financial liabilities

17(a) Borrowings

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at April 1, 2020**
Loans repayable on demand (at amortised cost)			
Secured			
From banks			
Rupee Loan	-	-	411.95
Bank overdrafts	-	64.84	782.00
Current maturities of loan from bank*	707.97	642.33	-
Current maturities of loan from FI**	236.40	236.40	-
Total	**944.37**	**943.57**	**1,193.95**

*During the year 2020 - 2021, company has taken term loan facility of Rs.18 crores from Axis Bank Limited towards capital commitments for the new factory in Noida - Sector 156 - with an interest at 9.5% p.a. and repayable in 33 equated monthly installments before Jul 2023. Security - a) Pari passu charge on current assets of the company, both present and future ; b) Pari-passu equitable mortage on the new factory facility; c) Pari-passu on all movable and immovable property (including CWIP) and MFA existing as well as future; d) DSRA equivalent to 1 month of Fixed deposit marked under lien to lenders.

**During the year 2020-21, company has availed Buyers credit facility for equipment finance to the extent of Rs.6.76 crores for the new factory in Noida - Sector 156 - repayable in 3 years i.e. by Aug 2023. Out of 6.76 crores, Outstanding balance as on 31st March 2022 is Rs. 457.78 lacs. Company has the option to avail the roll over facility at the end of every year. At the time of rollover, the payment effected by the company in the DSRA during buyers credit tenure will be adjusted against the buyers credit amount and the balance amount will be rolled over for subsequent year at the option of the company.

Repayments Schedule as on March 31, 2022	**Due within 1 Year**	**Due 1 to 3 Years**	**>3 years**	**Total**
	Amount	**Amount**	**Amount**	**Amount**
Monthly repayment schedule	944.37	404.27		**1,348.64**
Quarterly repayment schedule	-	-	-	**-**
Half yearly repayment schedule	-	-	-	**-**
Total	**944.37**	**404.27**	**-**	**1,348.64**

Repayments Schedule as on March 31, 2021	**Due within 1 Year**	**Due 1 to 3 Years**	**>3 years**	**Total**
	Amount	**Amount**	**Amount**	**Amount**
Monthly repayment schedule	943.57	1,325.80	-	**2,269.37**
Quarterly repayment schedule	-	-	-	**-**
Half yearly repayment schedule	-	-	-	**-**
Total	**943.57**	**1,325.80**	**-**	**2,269.37**

17(b) Trade payables (carried at amortised cost)

Particulars	**As at March 31, 2022**	**As at March 31, 2021**	**As at April 1, 2020**
Total outstanding dues of micro enterprises and small enterprises	1,546.83	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,591.45	5,361.34	2,286.39
Total	**6,138.28**	**5,361.34**	**2,286.39**
Trade Payables	6,086.09	5,361.34	2,286.39
Trade Payables to related parties	52.19	-	-
Total	**6,138.28**	**5,361.34**	**2,286.39**

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(All amounts in INR lakhs unless stated otherwise)

Payable to as on March 31, 2022	Outstanding for following periods from due date of payment				
	Not due	Due within 1 Year	Due 1 to 2 Years	Due 2 to 3 Years	Total
MSME	1,546.83	-	-	-	1,546.83
Others	2,906.90	1,629.76	-	-	4,536.66
MSME - Disputed	-	-	-	-	-
Others - Disputed	-	9.23	4.22	41.34	54.79
Total	**4,453.73**	**1,638.99**	**4.22**	**41.34**	**6,138.28**

Payable to as on March 31, 2021	Outstanding for following periods from due date of payment				
	Not due	Due within 1 Year	Due 1 to 2 Years	Due 2 to 3 Years	Total
MSME	-	-	-	-	-
Others	3,516.36	1,780.14	1.93	-	5,298.43
MSME - Disputed	-	-	-	-	-
Others - Disputed	-	15.76	20.61	26.54	62.91
Total	**3,516.36**	**1,795.90**	**22.54**	**26.54**	**5,361.34**

-Trade payables are non-interest bearing and are normally settled on around 30 to 120 days terms.

- Trade payable with related parties has been mentioned in note no. 36

Dues to Micro, Small and Medium Enterprises

There are no micro enterprises and small enterprises, as defined in Micro, Small, Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest. The above information regarding micro enterprises and small enterprises has been determined to the extent such parties have been identified on the basis of the information available. The disclosures pursuant to the said MSMED Act are as follows:

17(c) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Carried at amortised cost			
Interest payable on Liability component of NCCRPS	-	0.90	0.65
Current maturities of lease liabilities	0.05	0.05	0.05
Total	**0.05**	**0.95**	**0.70**

18 Short-term provisions

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Other provisions	61.37	111.15	29.28
Total	**61.37**	**111.15**	**29.28**

19 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at April 1, 2020
Statutory liabilities	-	138.34	65.27
Payable to employees	38.42	17.14	23.32
Other (Provision for onerous contract)	5.50	5.96	84.26
Others	0.98	-	-
Advance from customer	1,667.29	3,628.96	133.54
Deferred Revenue	1,776.18	1,006.65	712.29
Total	**3,488.37**	**4,797.05**	**1,018.68**

Addverb Technologies Private Limited
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(All amounts in INR lakhs unless stated otherwise)

20 Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contract with customers		
Sale of products	27,347.31	19,908.89
Sale of services		
Installation & Commissioning (Sales)	3,740.46	1,704.08
Other operating revenue		
Sale of scrap	63.60	16.66
Duty drawback received	22.00	9.14
Others	176.35	299.26
Less: GST Recovered	-4,028.31	-2,723.92
Total Revenue from contract with customers	**27,321.41**	**19,214.11**
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Goods and Services transferred over time	**27,321.41**	**19,214.11**
Total Revenue from contract with customers	**27,321.41**	**19,214.11**

Disaggregated revenue information

The table below presents disaggregated revenues from contracts with customers by geography. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by industry, market and other economic factors.

Revenues by Geography

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within	22,059.91	17,592.20
Outside	5,261.51	1,621.91
Total	**27,321.41**	**19,214.11**

Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contract	27,321.41	19,214.11
Adjustments for variable consideration:		
Sales return	-	-
Discounts and rebates	-	-
Revenue from contracts with customers	**27,321.41**	**19,214.11**

Addverb Technologies Private Limited
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(All amounts in INR lakhs unless stated otherwise)

Contract balances

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Opening balances as on April 01, 2021		
Trade receivables*	9,356.54	3,513.10
Advance from customers (contract liabilities)**	3,628.96	133.54
Deferred revenue	1,006.65	712.29
Closing balances as at March 31, 2022		
Trade receivables*	9,886.20	9,356.54
Advance from customers (contract liabilities)**	1,667.29	3,628.96
Deferred revenue	1,776.18	1,006.65

*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
**Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

21 Other income

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Interest income from financial assets measured at amortised cost		
- from bank deposits	79.77	46.43
- from others	-	7.49
Other non-operating income		
Gain on exchange (net)	145.85	105.62
Profit on sale of investments	130.02	-
Fair value gain on financial assets measured at fair value through profit or loss*	160.64	6.97
Miscellaneous income	18.95	9.77
Total	**535.23**	**176.28**

*Fair value gain on financial instruments at fair value through profit or loss pertains to Company's mutual fund investments as on reporting date.

22(a) Cost of materials consumed

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Inventory at the beginning of the year	3,011.88	1,772.38
Add: Purchases	16,753.83	13,422.58
Handling charges	123.59	37.11
Transportation	129.17	197.84
Other manufacturing charges	1,327.30	964.22
	21,345.76	**16,394.13**
Less: Inventory at the end of the year	5,466.91	3,011.88
Total	**15,878.85**	**13,382.25**

22(b) Change in Inventories of finished goods and stock in trade

Particulars	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Inventory at the beginning of the year	75.31	**-**
Less: Inventory at the end of the year	495.81	**75.31**
Change during the year	**-420.50**	**-75.31**

Addverb Technologies Private Limited

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(All amounts in INR lakhs unless stated otherwise)

23 Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salary, wages and bonus (including remuneration to directors)	6,111.14	3,680.21
Contribution to provident fund and other funds	252.84	132.30
Bonus	32.28	27.54
Grauity expense	82.07	45.23
Staff welfare	428.06	144.68
Total	**6,906.39**	**4,029.96**

24 Finance Costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on borrowings		
Secured loans		
Loans from banks and others	201.25	199.71
Unsecured loans		
Interest on liability component of Pref. shares	0.07	0.25
Interest on liability component of CCD	-	0.47
Interest on liability component of CCPS	-	1.32
Related parties	-	0.00
Other borrowing costs		
Bank charges	85.63	27.50
Lease finance charges	32.62	32.61
Total	**319.57**	**261.86**

25 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (Refer note 3)	532.83	220.91
Depreciation on leasehold improvements (Refer note 3)	3.26	0.22
Depreciation on right of use asset (Refer note 3)	21.46	16.38
Amortisation of intangible assets (Refer note 5)	318.50	121.25
Total	**876.05**	**358.76**

Addverb Technologies Private Limited
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(All amounts in INR lakhs unless stated otherwise)

26 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & Fuel	39.85	45.06
Repair & maintenance		
Plant and machinery	29.55	2.80
Building	8.08	5.46
Others	10.31	4.18
Rent	102.03	169.44
Rates & taxes	5.23	10.89
Printing & stationery	8.87	3.00
Postage, telegram & telephone expenses	38.49	17.58
Insurance expenses	39.82	23.97
Legal & professional charges	847.22	219.24
Travelling & conveyance	746.71	425.79
Corporate social responsibility (CSR) expenses (refer note 27)	11.00	23.94
Auditor remuneration*	6.31	5.15
Advertisement and publicity expenses	248.23	59.19
Provision for doubtful debts	94.88	10.44
Commission on sales	0.42	0.91
Subscription Charges	427.00	105.15
Director's sitting fees	8.25	6.00
Miscellaneous expenses	72.95	85.49
Total	**2,745.20**	**1,223.68**

***Payment to auditors**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
As statutory auditor	3.75	3.75
Other capacity	2.56	1.40
Total	**6.31**	**5.15**

27 **Details of CSR expenditure**

CSR Policy - 'The Company aims to ensure the implementation of such CSR initiatives which outlines the Company's strategy to bring a positive impact on society. It endevors to put special emphasis on the local area and areas around the factory of the Company for spending the amount earmarked for CSR activities. The CSR projects or programs or activities that benefit only the employees of the Company and their families, and contribution of any amount (directly or indirectly) to any political party, are not considered as CSR activities under the CSR Policy of the Company. The CSR activities are mapped with the activities as prescribed in Schedule VII to the Companies Act, 2013 and the applicable Rules, as amended from time to time.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Average net profit of the Company for last three financial years*	549.47	418.51
b) Prescribed CSR expenditure (2% of the amount mentioned in item a above)	10.99	8.37
c) Details of CSR amount to be carried forward	-	-
Total amount to be spent for the financial year	10.99	12.41
Total Amount spent during the year	11.00	23.94
Amount unspent, if any	-	-
Nature of CSR Activities:.		
1. Donation to PMCARES Fund	11.00	2.68
2. Promoting healthcare	-	21.26

* This year being the transition year for the purpose of Ind-AS financials, the average profit values has been considered as per profit reported in earlier years under IGAAP.

Addverb Technologies Private Limited

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28 Earnings per equity share (EPS)

Basic EPS amounts are calculated by dividing the profit/(loss) for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/(loss) attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total operations for the year		
Profit/(Loss) after tax in INR lakhs	1,318.45	179.94
Profit/(Loss) for calculation of basic and diluted EPS	**1,318.45**	**179.94**
Weighted average number of equity shares for basic EPS	5,08,822	3,74,871
Weighted average number of Equity shares for Diluted EPS	5,08,822	3,75,311
Earnings per equity share:		
Basic	259.12	48.00
Diluted	259.12	47.94

29 Contingent liabilities

There were no contingent liabilities as on March 31, 2022.

Addverb Technologies Private Limited
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30 Share based compensation

In accordance with Ind AS 102 - Share based payments and the guidance Note on accounting for ‘Employees share-based payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the company. To have an understanding of the scheme, relevant disclosures are given below.

Pursuant to the approval by the shareholders in the Extraordinary General Meeting dated 17th January 2020, the Company offered Employee Share Appreciation Rights to eligible employees of the Company under “Addverb Technologies Private Limited- Employee Stock Appreciation Rights Plan 2020 (ESAR 2020)” as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

Details of the ESAR 2020 Plan:

The issuance of shares under this Plan shall not exceed 12,000 equity shares of face value of Rs 10 each, fully paid up, in aggregate, unless otherwise intended to be settled by way of cash at the discretion of the Board, as may be determined with the Provisions oh the Plan and in due compliance of the applicable laws and regulations in force and as per the eligibility criteria as determined by the Board of Directors.

The grant date of the share options was January 17, 2020. Fair value of shares as at the grant date is Rs. 4272.31. The share options shall vest in not earlier than 1 (one) year and not more than 4 (four) years from the date of grant of such ESARs. The vesting conditions are as per the policy approved by the shareholders. The vested ESARs can be exercised by the ESAR grantees only in connection with or upon happening of a liquidity event unless otherwise decided by the Board in this regard, which would lapse if not exercised within the time specified therein. ESAR will be converted into Equity Shares based on ESAR Price of Rs.4272.31 exercisable at face value of Rs.10 each.

Pursuant to Clause 7.6 and other applicable provisions of the Employee Stock Appreciation Rights Plan (2020) and in terms of Companies Act 2013, the Board in it's meeting dated 28th February 2021 and 28th June 2021 has approved that 25% of the total ESARs (which are due for vesting on 17th January 2022) shall vest in an accelerated manner on 28 th June 2021 upon happening of the liquidity event.

Particulars	31-03-2022	31-03-2021
Outstanding as at beginning of the year	10,072	10,298
Granted during the year	-	-
Exercised during the year	5,052	-
Lapsed during the year	93	226
Outstanding as at the end of the year	4,927	10,072

31 Leases

Company as a lessee

Company has entered into lease contract with the New Okhla Industrial Development Authority, Noida on 14th June 2019, wherein the New Okhla Industrial Development Authority, Noida has allotted the plot No.5 in Sector 156 situated within the New Okhla Industrial Development Area, District Gautam Buddha Nagar to the Company (lessee) for a period of 90 years for an advance rental payment of 32,67,600 per annum.

Addverb Technologies Private Limited
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Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year

Particulars	Land
Gross block	
As at April 1, 2020	-
Impact of IND-AS Adjustments	1,481.05
Additions / modifications	-
Disposal / derecognized during the year	-
Balance as at March 31, 2021	1,481.05
Additions / modifications	-
Disposal / derecognized during the year	-
Balance as at March 31, 2022	**1,481.05**
Accumulated depreciation	
As at April 1, 2020	-
Impact of IND-AS Adjustments	-
Depreciation expense	16.60
Disposal / derecognized during the year	-
Balance as at March 31, 2021	16.60
Depreciation expense	21.45
Disposal / derecognized during the year	-
Balance as at March 31, 2022	**38.04**
Net Block	
Balance as at April 01, 2020	**1,481.05**
Balance as at March 31, 2021	**1,464.45**
Balance as at March 31, 2022	**1,443.00**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	449.28	449.26
Additions	-	-
Accretion of interest	16.31	16.31
Payments	16.34	16.34
Termination	-	-
Balance at the end of the year	449.25	449.23
Current	0.05	0.06
Non current	449.20	449.17

The effective interest rate for lease liabilities is 7.71%.

The maturity analysis of lease liabilities is disclosed below:

Maturity analysis of contractual undiscounted cashflow	As at March 31, 2022	As at March 31, 2021
Less than 1 year	32.68	32.68
1 to 2 years	-	32.68
2 to 3 years	-	32.68
3 to 4 years	32.68	32.68
4 to 5 years	32.68	32.68
More than 5 years	2,565.07	2,597.74
Total undiscounted lease liabilities	**2,663.09**	**2,761.12**

The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	21.46	16.38
Interest expense on lease liabilities	32.62	32.61
Expense relating to short-term leases (included in other expenses)	-32.68	-32.68
Total amount recognised in profit or loss	21.40	16.31

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32 Gratuity and other post employment benefit plans
(a) Defined benefit plan - Gratuity
The Company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company provides for the liability in its books of accounts based on the actuarial valuation. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Discount rate	6.89%	6.63%
Salary increment rate	15.00%	15.00%
Retirement age/Withdrawal rate	20%	18.34%
Mortality table	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yield available on the Government bonds at the accounting date with a term that matches that of the liabilities and the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Changes in the present value of the defined benefit obligation are as follows:	**As at March 31, 2022**	**As at March 31, 2021**
Opening defined benefit obligation	92.52	36.99
Current service cost	76.03	42.77
Past Service Cost including curtailment Gains/Losses	-	-
Interest cost	6.04	2.45
Benefits paid	(1.49)	-
Actuarial (gain) / loss	30.80	10.30
Closing defined benefit obligation	**203.90**	**92.52**

Balance Sheet	**As at March 31, 2022**	**As at March 31, 2021**
Present value of defined benefit obligation	(203.90)	(92.52)
Fair value of plan assets	-	-
Plan asset / (liability)	**(203.90)**	**(92.52)**

Expenses recognised in Statement of profit and loss	**As at March 31, 2022**	**As at March 31, 2021**
Interest cost	6.04	2.45
Current service cost	76.03	42.77
Past Service Cost including curtailment Gains/Losses	-	-
Net benefit expense	**82.07**	**45.23**

Expenses recognised in Statement of other comprehensive income	**As at March 31, 2022**	**As at March 31, 2021**
Actuarial (gain) / loss	31	10
Total expense recognised in statement of other comprehensive income	**30.80**	**10.30**

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A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

	Discount rate		Salary growth rate	
Sensitivity Level	0.50% increase	0.50% decrease	1% increase	1% decrease
Increase/ (decrease) in defined benefit obligation	(6.45)	6.83	11.31	(10.67)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

	Discount rate		Salary growth rate	
Sensitivity Level	0.50% increase	0.50% decrease	0.50% increase	0.50% decrease
Increase/ (decrease) in defined benefit obligation	(1.44)	1.54	2.82	(2.60)

Sensitivities due to mortality & withdrawals are not material hence impact of change due to these is not calculated. Sensitivities as to rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable.

(b) Defined contribution plan
During the year, the Company has recognised the following amounts in the Statement of Profit and Loss

Particulars	**As at March 31, 2022**	**As at March 31, 2021**
Employers' Contribution to Provident and other funds	252.84	132.30
	252.84	**132.30**

33 Commitments and contingencies

A. Capital Commitments

	As at March 31, 2022	**As at March 31, 2021**
Towards Leasehold Land in Greater Noida	-	-
Towards Purchase of Plant and Machinery	-	10
Towards Purchase of Other Equipment and Instruments	37.52	33
Towards Construction of building on Leasehold Land	2,570.09	93

B. Other Commitments

The company had made a private placement during previous year and issued 88635 shares to M/s Reliance Retail Ventures Limited at a face value of Rs 10 out of which Rs 9.75 has been called-up and paid-up as on March 31, 2022. The uncalled portion per share is Rs 5641.21 for 88,635 shares amounting to Rs 50,00,08,648. These shares have been subscribed at a value of Rs 33,846.76 per share. This price per share has been derived on the basis of the valuation report issued by a registered valuer.The future projections have been made in view of the potential growth envisaged by the company since the company has enhanced its production capacity.

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Audited Notes to financial statements for the year ended March 31, 2022
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34 Disclosure of significant accounting judgements, estimates and assumptions

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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

Judgements, estimates and assumptions

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

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 32.

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Taxes

Deferred tax assets are recognised for unabsorbed tax losses, unabsorbed depreciation and all deductible temporary differences, to the extent that it is probable that future taxable profit will be available against which they can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Any changes in these assumptions may have an impact on the measurement of the deferred taxes in future.

Fair value measurement of financial instruments

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

Intangible asset under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 2022, the carrying amount of capitalised intangible asset under development was INR 539.65 lacs (31 March 2021: INR 518.17 lacs). This amount includes software under development and implementation.

Impairment of non-financial assets

The recoverable amount of property, plant and equipment, capital work in progress, intangible assets and intangibles assets under development is based on estimates and assumptions, in particular the expected market outlook and future cash flows associated with the business. There is no indication of impairment of assets as at each reporting date. Any changes in these assumptions may have an impact on the measurement of the recoverable amount resulting in impairment.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model for Employee Share Option Plan (GESP). The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 30.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

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Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform the irrespective obligations under the contract, and the contract is legally enforceable.

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

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discount, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting year. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Inventories
Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale.

Determining of useful life of property, plant and equipment and intangible asset

The determination of depreciation and amortisation charge depends on the useful lives for which judgements and estimations are required. The residual values, useful lives, and method of depreciation/amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Determining the lease term of contracts with renewal and termination options – Company as lessee
The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.
The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable year of a lease.
A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset. In determining the lease term, only the enforceable rights of the lessee to renew or extend the lease beyond the non-cancellable period are taken into consideration.

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Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 32.

Assessment of equity instruments

The Company has designated investments in equity instruments as FVTOCI investments since the Company expects to hold these investment with no intention to sale.

Estimating the contingent liability amount

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies / claims / litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Estimating the tax rate

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed.

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35 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company is involved in only one business of robotics and automation solutions in warehousing, healthcare and manufacturing. Hence, the Company has only one operating segment. Further, the Company is having a single geographical segment and its operations are wholly based in India.

Entity wise disclosures as applicable to the Company are mentioned below:-

A. Information about geographical areas:

Revenue from external customers	**For the year ended March 31, 2022**
India	22,059.91
Outside	5,261.50
	27,321.41

Assets
There are no assets located outside

B. Information about major customers (from external customers)

Revenue from transactions with a single external customer amounting to 10% or more of the Company is as under:	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
No of customers	1	2
Amount	2,947.22	14,687.34

36 Related party transactions

(i) Names of related parties and related party relationship

a) Key Management Personnel

Name	**Designation**
Mr. Sangeet Kumar	Whole Time Director
Mr. Prateek Jain	Director (till 28-Sep-2021)
Mr. Ashu Kansal	Chief Financial Officer
Ms. Divya Wadhawan	Company Secretary

b) Ultimate Holding Company	**Financial year**
Reliance Industries Limited	2021-22

c) Holding Company	**Financial year**
Reliance Retail Ventures Limited	2021-22

d) Subsidiaries	**Financial year**
M/s. Addverb Technologies Pte Ltd, Singapore (100% subsidiary)	2019-20
M/s. Addverb Technologies Pty Ltd, Australia (100% subsidiary)	2020-21
M/s. Addverb Technologies B.V., Netherland (100% subsidiary)	2020-21
M/s. Addverb Technologies USA Inc., USA (100% subsidiary)	2021-22

e) Fellow Subsidiary	**Financial year**
Reliance Project & Property Management Services Limited	2021-22
Reliance Retail Limited	2021-22
Reliance Brands Limited	2021-22
Jio Platforms Limited	2021-22
Reliance Jio Infocomm Ltd	2021-22

f) Entities with common directors

Entity name
Reliance Retail Ventures Limited
Reliance Jio Infocomm Ltd
Reliance Retail Limited
Reliance Brands Limited
Havells Limited

(All amounts in INR lakhs unless stated otherwise)

g) Entities in which director of wholly owned subsidiary is interested

Entity name

Tartan Warriors Pty Ltd.

(ii) Transaction with related parties during the year

Particulars	**For the period ended 31st March 2022**	**For the period ended 31st March 2021**
Payment to Havells Limited	-	0.26
Receipt of services from Tartan Warriors Pty Ltd.	11.25	43.73
Sale of goods and services to M/s Addverb Technologies Pty Ltd	4,627.06	-
Sale of goods and services to M/s Addverb Technologies Pte Ltd	93.32	69.91
Sale of goods and services to M/s Addverb Technologies BV	278.74	-
Ltd	335.31	-
Sale of goods and services to M/S Reliance Project & Property Management Services Limited	9,912.94	-
Sale of goods and services to M/s Reliance Retail Ventures Limited	235.29	-
Sale of goods and services to M/s Reliance Jio Infocomm Limited	195.67	-
Sale of goods and services to M/s Jio Platforms Ltd	698.86	-
Sale of goods and services to M/s Reliance Brands Limited	14.68	-
Purchase of goods and services from M/s Reliance Retail Limited	24.59	-
Salaries & allowances to Key Management Personnel		
Mr. Sangeet Kumar	118.70	42.28
Mr. Prateek Jain	59.26	42.28
Mr. Ashu Kansal	182.57	45.50
Ms. Divya Wadhawan	26.09	19.40
Loan to M/s Addverb Technologies Pty Ltd	1,729.96	-
Loan to M/s Addverb Technologies BV	248.43	-
Investment in equity of M/s Addverb Technologies BV	0.09	-
Investment in equity of M/s Addverb Technologies USA INC	757.70	-
Investment in equity of M/s Addverb Technologies Pte Ltd	275.45	137.49
Interest received from M/s Addverb Technologies Pty Ltd	33.59	-
Interest received from M/s Addverb Technologies B.V	5.77	-
Reimbursement of expense - Addverb Technologies Pte Ltd	18.53	1.57
Reimbursement of expense - Addverb Technologies Pty Ltd	-	12.76
Reimbursement of expense - Addverb Technologies USA INC	38.54	-
iii) Balances at the end of the year:		
Trade receivable- M/s. Addverb Technologies Pte Ltd, Singapore	62.15	39.45
Trade receivable - M/s. Addverb Technologies BV - Netherlands	296.13	-
Trade receivable - M/s. Addverb Technologies USA Inc - USA	38.54	-
Trade receivable - M/s. Jio Platforms Limited	752.86	-
Trade receivable - M/s. Reliance Project and Property Manaqgment Services Limited	3,899.55	-
Trade receivable - M/s. Reliance Retail Ventures Limited	37.99	-
Trade receivable - M/s. Reliance Brands Limited	17.32	-
Trade Payable- M/s. Addverb Technologies Pte Ltd, Singapore	50.26	-
Trade Payable- M/s. Addverb Technologies BV - Netherlands	0.75	-
Advance from Customer - Reliance Jio Infocomm Limited	0.07	-
Advance from Customer - Reliance Retail Limited	3.77	-
Trade payable to M/s Reliance retail Limited	1.18	-
Trade Payable - Tartan warriors Pty Ltd	-	9.70
Expense Receivable from Addverb Technologies Pty Ltd, Australia	-	12.76
Loan to M/s Addverb Technologies BV	248.43	-
Loan to M/s Addverb Technologies Pty Ltd	1,729.96	-

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(iii) Category-wise remuneration of key management personnel

Particulars	As at March 31, 2022	As at March 31, 2021
Short-term employee benefits	382.42	100.91
Long term employee benefit	4.21	3.05
Post employment benefits	-	-
Total	**386.63**	**103.96**

As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.

37 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, lease liabilities trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds investments in mutual funds which are fair valued through profit and loss account.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a banking and operations 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. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Company's policy, that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

(a) Interest rate risk

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

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company is not exposed the significant interest rate as at a respective reporting date.

Particulars	March 31, 2022	March 31, 2021	April 01, 2020
Variable rate borrowings	1,348.64	2,269.37	1,220.74
Fixed rate borrowings	-	-	-
Total (Rs)	1,348.64	2,269.37	1,220.74

Particulars	Wtd avg int rate %	Bal Amt Rs	% of total loans
Loan 1 (Axis Bank Loan)	9.5%	890.86	66.06%
Loan 2 (Tata Capital Loan)	1.00%	457.78	33.94%
Loan 3 (Bank Overdraft)	0.00%	-	0.00%
Exposure to cash flow interest rate risk	-	-	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is effected through the impact on floating rate borrowings, as follows:

Particulars	Increase/Decrease in basis points	Effect on PBT
March 31, 2022	+/(-).50%	-/(+) 6.74 lacs
March 31, 2021	+/(-).50%	-/(+) 11.36 lacs

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(b) 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 relates primarily to its operating activities. Presently the foreign currency risk is partially hedged pertaining to Addverb Technologies Pty Ltd INR 3152.61 lacs and Addverb Technologies BV INR 248.43 lacs and are expected to settle within a maximum period of 12 months.

Foreign currency sensitivity

Particulars	Change in Rate	Effect on PBT
March 31, 2022	+/(-) 1%	-/(+) 30.49 lacs
March 31, 2021	+/(-) 1%	-/(+) 28.80 lacs

(c) Equity/Market risk
The Company's Board of Directors reviews and approves all investment decisions. At the reporting date, the exposure to unlisted equity securities at was INR 1270.16 lakhs as on March 31, 2022 and INR 137.49 lakhs as on March 31, 2021.

At the reporting date, the exposure to listed mutual funds at fair value was INR 11,740.44 lacs on March 31, 2022, (INR 5606.96 as on March 31, 2021). A decrease of 10% or an increase of 10% in the value of the listed mutual funds would also impact the Profit and loss and investments in similar porportion.

(d) Commodity risk
The Company is impacted by the price volatility of metals which are used in the operating activities for manufacture of robots for its customers. The Company has not entered into any long term contracts with its suppliers for supply of materials and is exposed to significant volatility of the price of metals in international market. The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

(e) Credit risk
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables
Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any dispatches to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company is not having the history of the significant bad debts expect one off cases. The receivables are recovered in business operating cycle. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Therefore the Company has not created any provision on receivables according to the ECL – Simplified approach.

Financial instruments and cash deposits
Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021, is the carrying amounts as illustrated in Note 17(a) and 14(a) except for financial guarantees and derivative financial instruments. The company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

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Liquidity risk
Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure , as far as possible, that it should have sufficient liquidity to meet its respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Company also beleives a significant liquidity risk with regard to its lease liabilities as the current aseets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Movement in Expected Credit Losses during the year
The movement in expected credit losses recognised either during

Particulars	31.03.2022	31.03.2021
Balance at the beginning of the year	27.34	16.90
Impairment allowance	99.44	10.44
Impairment written off	-	-
Balance at the end of the year	126.78	27.34

Category-wise Classification of Financial instruments

Financial assets measured at amortised cost	**Non-Current**		**Current**	
Particulars	**As at 31.03.2022**	**As at 31.03.2021**	**As at 31.03.2022**	**As at 31.03.2021**
Trade Receivables	-	-	9,886.20	9,249.48
Term deposits with original maturity of more than 12 months	-	-	-	-
Cash and cash equivalents	-	-	237.63	368.77
Term Deposits with original maturity of more than three months but less than 12 months	-	-	210.30	924.21
Deposits held as lien deposits	-	-	68.77	63.50
Security deposit	433.98	-	10.85	21.05
Other Receivables	-	-	513.20	151.86
TOTAL	433.98	-	10,926.94	10,778.87

Financial assets measured at fair value through Profit and Loss Account	**Non-Current**		**Current**	
Particulars	**As at 31.03.2022**	**As at 31.03.2021**	**As at 31.03.2022**	**As at 31.03.2021**
Investment in mutual funds	-	-	11,740.44	5,606.97
	-	-	11,740.44	5,606.97

Particulars	**Non-Current**		**Current**	
	As at 31.03.2022	**As at 31.03.2021**	**As at 31.03.2022**	**As at 31.03.2021**
Financial assets measured at fair value through other Comprehensive Income (OCI)	-	-	-	-
Financial liabilities measured at fair value through amortized cost	-	-	-	-

38 Capital management

For the purpose of Capital management, capital includes equity share capital and other equity attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise the shareholder's value. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with those covenants throughout the reporting period.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 0% and 15%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

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Particulars	31-03-2022	31-03-2021
Borrowings (Note 14(a))	404.27	1,328.41
Trade payables (Note 17(b))	6,138.28	5,361.34
Other financial liabilities (Note 17(c))	0.05	0.95
Less: Cash and cash equivalent (Note 10 (c))	(237.63)	(368.77)
Less: Current investments	(11,740.44)	(5,606.97)
Net Debt	**(5,910.72)**	**(22.57)**

Equity	51.22	50.99
Capital and Net debt	**(5,859.51)**	**28.42**
Gearing ratio	0.00	0.00

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39 First-time adoption of Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

These financial statements, for the year ended March 31, 2022, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2021, the Company prepared its financial statements in accordance with Previous GAAP or Indian GAAP. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending as at and for the year ended March 31, 2022, together with the comparative period data as at and for the year ended March 31, 2021, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2020, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP or Indian GAAP financial statements, including the opening balance sheet as at April 1, 2020 and the financial statements as at and for the year ended March 31, 2021.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a) Leases

The Company has recognized lease liability for all leases measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate at the transition date and correspondingly measured the right-of-use asset at an amount equal to the lease liability, adjusted for prepaid or accrued lease payments.

The Company also applied the available practical expedients wherein it:
• Used a single discount rate to a portfolio of leases with reasonably similar characteristics
• Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application and the total lease term is less than 12 months
• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
• Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 116, this assessment should be carried out at the inception of the lease contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place at the date of transition.

b) Deemed cost

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value at the transition date except for certain class of assets which are measured at fair value as deemed cost.

40 **Ind AS mandatory exceptions**

a) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2020 and March 31, 2021 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP:
- Impairment of financial assets based on expected credit loss model.

b) De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of entity's choosing provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

c). Arrangements containing a lease:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all arrangements based for embedded leases based on conditions in place as at the date of transition.

Addverb Technologies Private Limited
Audited Notes to Financial Statements for the year ended 31 March 2022

41 First Time Adoption Reconciliations
Effect of Ind-AS adoption on the stand alone Balance Sheet as at March 31, 2021 and as at April 01, 2020

Particulars	Note	As at March 31, 2021			As at April 01, 2020		
		Previous GAAP*	Impact on Ind-AS transition/re-classification	As at March 31, 2021	Previous GAAP*	Impact on Ind-AS transition/re-classification	As at April 01, 2020
ASSETS							
Non-current assets							
Property Plant and equipment	3	7,249.85	1,017.64	6,232.21	1,323.39	1,029.17	294.23
Capital work-in-progress	4	297.10	0.00	297.10	1,566.57	(0.00)	1,566.57
Right of use assets	3	-	(1,464.45)	1,464.45		(1,481.05)	1,481.05
Intangible assets	5	1,095.02	(0.01)	1,095.03	326.57	(0.00)	326.57
Intangible assets under development	3	518.17	(0.00)	518.17	357.63	-	357.63
Goodwill	5(b)	-	-	-	-	-	-
Financial assets	4		-	-	-	-	-
Investments	4(a)	137.49	-	137.49	-	-	-
Other non-current financial assets	4(b)	13.54	0.00	13.54	1.21	-	1.21
Deferred tax assets (net)	16	-	-	-	-	-	-
Other non-current assets	8	39.08	-	39.08	421.23	-	421.23
Subtotal (A)		**9,350.25**	**(446.82)**	**9,797.07**	**3,996.60**	**(451.88)**	**4,448.49**
Current assets							
Inventories	9	3,087.19	(0.00)	3,087.19	1,772.38	0.00	1,772.38
Financial assets	10	-	-	-	-	-	-
Investments	10(a)	5,600.00	(6.97)	5,606.97	-	-	-
Trade receivables	10(b)	9,356.54	107.06	9,249.48	3,513.10	0.00	3,513.10
Cash and cash equivalents	10(c)	368.77	(0.00)	368.77	947.37	0.00	947.37
Bank balances other than cash and cash equivalents	10(d)	987.71	0.00	987.71	1,178.91	-	1,178.91
Other current financial assets	10(e)	84.91	(107.04)	191.95	66.28	(0.01)	66.29
Income tax assets (net)	7	286.38	(0.00)	286.38	114.68	(0.00)	114.68
Other current assets	11	1,385.73	(44.83)	1,430.56	674.85	(16.49)	691.34
Subtotal (B)		**21,157.23**	**(51.78)**	**21,209.01**	**8,267.58**	**(16.50)**	**8,284.07**
Total Assets (A+B+C)		**30,507.48**	**(498.60)**	**31,006.08**	**12,264.17**	**(468.38)**	**12,732.56**
EQUITY AND LIABILITIES							
EQUITY							
Equity share capital	12	55.98	4.99	50.99	114.54	77.56	36.98
Other equity	13	18,669.28	838.56	17,830.72	8,361.16	718.56	7,642.60
Subtotal (D)		**18,725.27**	**843.55**	**17,881.72**	**8,475.70**	**796.13**	**7,679.58**
LIABILITIES			-			-	
Non Current Liabilities			-			-	
Financial liabilities	14		-			-	
Borrowings	14(a)	1,345.63	17.22	1,328.41	7.96	(18.83)	26.79
Other non-current financial liabilities	14(b)	-	(449.14)	449.14	-	(449.21)	449.21
Provisions	15	92.52	-	92.52	36.99	-	36.99
Deferred tax liabilities (net)	16	78.40	38.16	40.24	10.99	0.00	10.99
Subtotal (E)		**1,516.54**	**(393.76)**	**1,910.30**	**55.94**	**(468.04)**	**523.98**
Current Liabilities							
Financial liabilities	17						
Borrowings	17(a)	943.57	-	943.57	1,193.95	(0.00)	1,193.95
Lease liabilities		-	(0.05)	0.05	-	(0.05)	0.05
Trade payables	17(b)	-	-	-	-	-	-
Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-	-	-	-	-
Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		5,361.35	0.00	5,361.34	2,286.39	-	2,286.39
Other financial liabilities	17(c)	-	(0.90)	0.90		(0.65)	0.65
Provisions	18	176.30	65.15	111.15	30.07	0.79	29.28
Other current liabilities		-	-	-	-	-	-
Contract liabilities	20	-	-		-	-	-
Other liabilities	19	3,784.45	(1,012.60)	4,797.05	222.12	-796.56	1,018.68
Subtotal (F)		**10,265.67**	(948.40)	**11,214.06**	**3,732.53**	**(796.47)**	**4,529.00**
Total Equity and Liabilities (D+E+F)		**30,507.48**	**(498.60)**	**31,006.08**	**12,264.17**	**(468.38)**	**12,732.56**

****The previous GAAP figures have been re-classified to conform to the Ind-AS presentation**

Summary of corporate information and significant accounting policies	1&2
The accompanying notes are an integral part of the financial statements.	3-43

As per our report of even date
For Ray & Ray
Chartered Accountants
ICAI Firm registration number: 301072E

CA V Raman
Partner
Membership No: 019839
Date:April 19, 2022

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited
Audited Notes to Financial Statements for the year ended 31 March 2022

42 **First Time Adoption Reconciliations**

Effect of Ind-AS adoption on the Statement of Profit and Loss Account for the year ended March 31, 2021

Particulars	Note	Previous GAAP*	Effect of transition to Ind-AS	As per Ind-AS for year ended March 31, 2021
Income				
Revenue from operations	20	19,401.84	187.73	19,214.11
Other income	21	169.31	(6.96)	176.28
Total Income		**19,571.15**	**180.77**	**19,390.39**
Expenses				
Cost of materials consumed	22	13,306.71	(0.23)	13,306.94
Employee benefit expenses	23	3,988.29	(41.67)	4,029.96
Finance costs	24	247.06	(14.80)	261.86
Depreciation and amortisation expense	25	353.92	(4.84)	358.76
Other expenses	26	1,301.79	78.12	1,223.68
Total Expenses		**19,197.77**	**16.58**	**19,181.20**
Profit/(Loss) before exceptional items and tax from continuing operations		**373.38**	**164.18**	**209.19**
Exceptional items		-	-	-
Profit/(Loss) before tax from continuing operations		**373.38**	**164.18**	**209.19**
Tax Expense:	16			
Current tax		64.07	64.07	-
Deferred tax charge/(credit)		67.40	38.16	29.25
Total Tax Expenses		**131.47**	**102.23**	**29.25**
Profit/(Loss) for the year from continuing operations		**241.91**	**61.96**	**179.95**
Other comprehensive income				
Other comprehensive (income)/loss not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans		-	10.30	-10.30
Income tax effect of re-measurement losses on defined benefit plans		-	-	-
Other comprehensive loss for the year (net of tax)		-	10.30	-10.30
Total comprehensive income/(Loss) for the year, net of tax		**241.91**	**72.26**	**169.64**
(comprising profit and other comprehensive income for the year)				
Earnings per equity share (INR):	28			
(a) Basic				45.30
(b) Diluted				45.30

*The previous GAAP figures have been re-classified to conform to the Ind-AS presentation

Summary of corporate information and significant accounting policies	1&2
The accompanying notes are an integral part of the financial statements.	3-43

As per our report of even date
For Ray & Ray
Chartered Accountants
ICAI Firm registration number: 301072E

CA V RAMAN
Partner
Membership No: 019839
Date:April 19, 2022

For and on behalf of the Board of Directors of
Addverb Technologies Private Limited

SANGEET KUMAR
Whole time Director

ASHOK KUMAR GOYAL
Director

ASHU KANSAL
Chief Financial Officer

DIVYA WADHAWAN
Company Secretary

Addverb Technologies Private Limited
Notes to financial statements for the year ended March 31, 2022

(All amounts in INR lakhs unless stated otherwise)

43 Ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance	Comments
Current Ratio (Current assets/ Current liabilities)	Current Asset	Current Liabilities	2.95	1.89	**56%**	Improvement in working capital post additional Equity raised during the year
Debt-Equity Ratio	Total Debt	Total Equity	0.04	0.13	**-69%**	Repayment of Principal Amount of loan and increase in equity capital
Debt Service Coverage Ratio	Earnings before Interest, Tax and Exceptional Items	Principle Repayments made during the period for long term loans+ Interest Expenses	1.66	-0.20	**-911%**	Improvement in profits and reduction in interest expense due on account of Principal repayments
Return on Equity Ratio	Profit after Tax	Average Net worth	0.05	0.01	**260%**	Improvement in profits on account of increase in revenue
Inventory turnover Ratio	Cost of Goods Sold (Cost of Material Consumed + Purchases+ Changes in Inventory + Manufacturing Expenses)	Average Inventories of Finished Goods, Work-in-Process, Stock in trade and Raw Materials	4.14	6.05	**-31%**	Increase in inventory to support revenue growth
Trade receivables turnover ratio	Revenue From operations	Average Trade Receivables	2.86	3.01	**-5%**	-
Trade payables turnover ratio	Cost of Materials Consumed (after adjustment of RM Inventory) + Purchases of Stock-in-Trade + Other Expenses	Average Trade Payables	3.32	3.91	**-15%**	-
Net capital turnover ratio	Revenue From operations	Average Working Capital (Current Assets - Current Liabilities)	1.78	2.79	**-36%**	Higher current liquid investment and increasing working capital base
Net profit ratio	Profit After Tax (after exceptional items)	Revenue From operations	0.09	0.01	**811%**	Improvement in profits on account of increase in revenue and cost reduction
Return on capital employed	Net Profit After Tax + Deferred Tax Expense/(Income) + Finance Cost (-) Other Income	Average Capital Employed (Equity + Deferred Tax liabilities + borrowings + Lease liabilities)	0.05	0.02	**139%**	Improved profitability

As per our report of even date
For Ray & Ray
Chartered Accountants
ICAI Firm registration number: 301072E

CA V RAMAN
Partner
Membership No: 019839
Date:19 April, 2022

For and on behalf of the Board of Directors of
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Whole time Director

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