CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
Special Purpose Standalone Ind AS Financial Statements
Standalone Balance Sheet as at 31 March 2022
(Amount in INR Millions, unless otherwise stated)

	Notes	As at 31 March 2022
I ASSETS		
Non-current assets		
Property, plant and equipment	6	3.96
Right-of- use assets	7	39.60
Other intangible assets	8	14.74
Financial assets		
Investments	9	4.82
Other financial assets	10	76.65
Other non-current assets	11	48.56
Deferred Tax Asset (Net)	30	3.46
Total non-current assets		**191.79**
Current assets		
Financial assets		
Trade receivables	12	701.16
Cash and cash equivalents	13	43.57
Loans	14	17.69
Other financial assets	10	1.70
Other current assets	15	92.73
Total current assets		**856.85**
Total assets		**1,048.64**
II EQUITY AND LIABILITIES		
Equity		
Equity share capital	16	41.85
Other equity	17	94.58
Total equity		**136.43**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	18	101.09
Lease Liabilities	33	30.89
Provisions	19	57.27
Total non-current liabilities		**189.25**
Current liabilities		
Financial liabilities		
Borrowings	20	156.47
Lease Liabilities	33	7.75
Trade payables	21	
i) total outstanding dues of micro and small enterprises		-
ii) total outstanding dues of creditors other than micro and small enterprises		25.54
Other financial liabilities	22	410.93
Other current liabilities	23	117.20
Provisions	19	5.07
Total current liabilities		**722.96**
Total liabilities		**912.21**
Total equity and liabilities		**1,048.64**

See accompanying notes forming part of the Special Purpose Standalone Ind AS Financial Statements. 1-45

As per our report of even date
For A. JOHN MORIS & Co
Chartered Accountants
Firm Registration No.:007220S

Balagopal CM
Partner
Membership No: 029128

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

Place: Chennai, India
Date: 27 June 2024

For and on behalf of the Board of Directors of
CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
CIN: U74140TN2010PLC077095

Karuppasamy Pandiarajan
Chairman and Executive Director
DIN:00116011

Place: Chennai, India
Date: 27 June 2024

Aditya Narayan Mishra
Managing Director and CEO
DIN: 05303409

Place: Bangalore, India
Date: 27 June 2024

Saurabh Ashok More
Group Chief Financial Officer

Place: Bangalore, India
Date: 27 June 2024

CIEL HR Services Limited Bangalore 560 102

Lalita Pasari
Company Secretary

Place: Bangalore, India
Date: 27 June 2024

CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
Special Purpose Standalone Ind AS Financial Statements
Standalone Statement of Profit and Loss for the year ended 31 March 2022
(Amount in INR Millions, unless otherwise stated)

	Notes	Year ended 31 March 2022
Income		
Revenue from operations	24	5,210.16
Other income	25	8.18
Total income		**5,218.34**
Expenses		
Employee benefits expenses	26	4,995.95
Finance costs	27	33.99
Depreciation and amortization expenses	28	15.23
Other expenses	29	106.89
Total expenses		**5,152.06**
Profit before tax		**66.28**
Tax expense		
Current tax	30	-
Deferred tax charge / (credit)	30	(1.39)
Total tax expense		**(1.39)**
Profit/(loss) for the year		**67.67**
Other comprehensive income		
Re-measurement gains/ (losses) on defined benefit plans		(0.09)
Income tax effect on these items		0.02
Other comprehensive income for the year, net of tax		**(0.07)**
Total comprehensive income for the year, net of tax		**67.60**
Earnings / (Loss) per share (face value of INR 10 each)	31	
Basic earnings /(loss) per share (INR)		
Diluted earnings /(loss) per share (INR)		

See accompanying notes forming part of the Special Purpose Standalone Ind AS Financial Statements. 1-45

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CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
Special Purpose Standalone Ind AS Financial Statements
Standalone Statement of cash flows for the year ended 31 March 2022
(Amount in INR Millions, unless otherwise stated)

	Year ended 31 March 2022
Cash flow from operating activities	
Profit/(Loss) before tax	66.28
Adjustments for:	
Depreciation and amortization expenses	15.23
Provision for gratuity and compensated absences	2.24
Finance cost	33.99
Interest income	(2.24)
Operating profit/loss before working capital changes	**115.50**
Changes in working capital	
Increase/ (Decrease) in trade payables	6.96
Increase/ (Decrease) in other current liabilities	16.77
Increase / (Decrease) in provisions	52.68
Increase/ (Decrease) in other financial liabilities	319.83
Decrease/ (Increase) in trade receivables	(425.98)
Decrease/ (Increase) in other financial assets	(44.36)
Decrease/(Increase) in other assets	(117.52)
Cash generated from operations	**(76.12)**
Income tax paid	-
Net cash inflows/used from/in operating activities (A)	**(76.12)**
Cash flow from investing activities	
Payment for property, plant and equipment and intangible assets	(16.14)
Purchase of Investments	(0.32)
Advance or loans made to employees/ other parties	(10.46)
Interest received	2.24
Net cash inflows/used from/in investing activities (B)	**(24.68)**
Cash flow from financing activities	
Proceeds from issuance of equity share capital	24.17
Proceeds from Borrowings	65.82
Interest paid	(2.13)
Dividend paid	(2.46)
Principal paid on lease liabilities	(9.32)
Net cash inflows/used from/in financing activities (C)	**76.08**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	**(24.72)**
Effects of exchange rate changes on cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	68.29
Cash and cash equivalents at the end of the year	**43.57**
Reconciliation of cash and cash equivalents as per the cash flow statement	
Cash and cash equivalents comprise (Refer note 13)	
Balances with banks on current accounts	43.36
Cash on hand	0.21
Total	**43.57**

See accompanying notes forming part of the Special Purpose Standalone Ind AS Financial Statements. 1-45

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For A. JOHN MORIS & Co

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A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

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CIEL HR Services Ltd. Bangalore 560 102

Lalita Pasari
Company Secretary

Place: Bangalore, India
Date: 27 June 2024

CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
Special Purpose Standalone Ind AS Financial Statements
Statement of changes in equity for the year ended 31 March 2022
(Amount in INR Millions, unless otherwise stated)

(A) Equity share capital

	No. of shares	Amount
As on 01 April 2021	35,17,705	35.18
Changes in equity share capital during the year	6,66,956	6.67
Balance as at 31 March 2022	**41,84,661**	**41.85**

(B) Other equity

For the year ended 31 March 2022 (refer note.17)

Particulars	Share application money pending allotment	Reserves and Surplus			Items of Other Comprehensive Income	Total
		Securities Premium	Debenture redemption reserve	Retained Earnings	Re-measurement of the net defined benefit liability/asset	
Balance as at 01 April 2021	-	3.96	-	10.03	-	13.99
Profit for the year	-	-	-	67.67	-	67.67
Other comprehensive income	-	-	-	-	(0.07)	(0.07)
Securities premium credited on share issue	-	19.83	-	-	-	19.83
Share issue expenses for the year	-	-	-	-	-	-
Adjustments on account of transition to Ind AS	-	-	-	(0.47)	-	(0.47)
Dividends	-	-	-	(2.46)	-	(2.46)
Issue of bonus shares	-	-	-	(3.91)	-	(3.91)
Transfer from/(to) other reserves	-	-	5.97	(5.97)	-	-
Balance as at 31 March 2022	**-**	**23.79**	**5.97**	**64.89**	**(0.07)**	**94.58**

See accompanying notes forming part of the Special Purpose Standalone Ind AS Financial Statements. 1-45

As per our report of even date
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Chartered Accountants
Firm Registration No.:007220S

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CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
Special Purpose Standalone Ind AS Financial Statements
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022
(Amount in INR millions, unless otherwise stated)

1 Corporate Information

CIEL HR SERVICES LIMITED (formerly known as CIEL HR SERVICES PRIVATE LIMITED) (the "Company") is a public limited Company domiciled in India and was incorporated on 23 August 2010 under the provisions of the Companies Act, 1956 applicable in India.

The registered office of the Company is located at Plot No. 3726, Door No. 41, 'Ma Foi House', 6th Avenue, Q- Block, Anna Nagar, Chennai - 600040, Tamilnadu, India.

The Company was converted into a Public limited Company and obtained fresh certificate of incorporation dated 30 November 2023.

The Company focuses on tech-led HR solutions across various industries with HR Services and Platforms impacting every part of employee life cycle. The Company provides suite of HR services including search, selection and recruitment process outsourcing services, Professional staffing, Value staffing, Payroll and compliance, HR advisory and Skilling services. The Company operates platforms which provide various functions including Talent assessment and development, Talent engagement, Employee learning, Human resource management system, Fresher upskilling and Statutory compliance management.

2 Material accounting policies

Material accounting policies adopted by the Company are as under:

2.01 Basis of Preparation of Financial Statements

(a) **Statement of Compliance**

Special Purpose Standalone Ind AS financial statements of the Company as at 31 March 2022 have been prepared in accordance with Indian Accounting Standards (ind AS) as notified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognised accounting practices and policies generally accepted in India including the requirements of the Act, which has been approved by the Board of Directors at their meeting held on 27 June 2024.

The Special Purpose Standalone Ind AS Financial Statements are prepared for the purpose of preparation of restated consolidated financial information to be included in the Draft Red Hearing Prospectus("DRHP") ("Offer Document") of the Company in relation to its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("the Guidance Note"). As a result, the Special Purpose Standalone Ind AS Financial Statements may not be suitable for another purpose, The comparative figures are not applicable since these are for Special Purpose as mentioned above and exempt as per SEBI ICDR Regulations.

The standalone Ind AS financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency and all amounts have been rounded off to the nearest millions, unless otherwise stated.

(b) **Basis of measurement**

The financial information have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value
- Borrowings : Amortised cost using effective interest rate method
- Net defined benefit (asset)/ liability : Present value of defined benefit obligations less fair value of plan asset

The Company has prepared the standalone financial statements on the basis that it will continue to operate as a going concern.

(c) Classification between Current and Non-current

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is treated as current when it is:
i. Expected to be realised within twelve months after the reporting period, or
ii. 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.

Liabilities

A liability is current when:
i. It is expected to be settled in normal operating cycle
i. It is due to be settled within twelve months after the reporting period, or
iii. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

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CIEL HR Services Limited Bangalore 560 102

(Amount in INR millions, unless otherwise stated)

(d) **Use of estimates and judgement**

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

2.02 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

2.03 Depreciation methods, estimated useful lives

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act. All items of property plant and equipment are stated at cost less accumulated depreciation and impairment loss if any.

Depreciable amount for PPE is on the cost of PPE. The useful life of PPE is the period over which PPE is expected to be available for use by the Company.

Property, plant and equipment	Useful Life
Furniture and Fixtures	05 years
Office Equipment	05 years
Computers:	
-Servers	06 years
-End user devices such as, desktops, laptops etc.	03 years
Vehicles	08 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.04 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

(a) Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets where criteria mentioned in point (b) below are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

(b) Internally generated: Research and development

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalised include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful life
Computer software	03 years
HR platforms	05 years

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CIEL HR Services Limited Bangalore 560 102

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.
Intangible assets with indefinite useful lives are not amortised. Such intangible assets 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.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

2.05 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

2.06 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date and the exchange differences are recognised in the Statement of Profit and Loss.

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

2.07 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 accessible to the Company.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Quoted (unadjusted) market prices in active 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

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2.08 Revenue from contract with customer

(a) Sale of services

Revenue is recognised to the extent that it is highly probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

Revenue from staffing services is recognised over time since the customer simultaneously receives and consumes the benefits. The invoicing for these services is either based on cost plus a service fee model, fixed fee.

Revenue from recruitment services is recognised at a point in time based on satisfaction of specific performance criteria included in contractual arrangements with customers.

Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), while invoicing in excess of revenues are classified as Contract Liability (unearned revenue).

(b) Other Income

(i)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 other income in the Statement of Profit and Loss.

(c) Contract Balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. A receivables represents the Company's right to an amount of consideration that is unconditional.

Contract Liability
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade Receivable
A trade receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

2.09 Investments in subsidiaries

Investment in equity instruments issued by subsidiaries and associates are measured at cost.

2.10 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Income tax expense comprises current tax expense and deferred tax charge or credit during the year. Current tax assets and liabilities are measured at the amount expected to be recovered 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 year/period end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.11 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for office space. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the group under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising that option

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

2.12 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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2.13 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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 recognized as a finance cost.

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).

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.14 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include balance with banks, cash on hand, cheques/ draft on hand and short-term deposits net of bank overdraft.

2.15 Cash flow statement

Cash flow statement is reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.16 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.

(a) Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
a) at amortized cost; or
b) at fair value through other comprehensive income; or
c) at fair value through profit or loss.
The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

<u>Amortized cost</u>: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

<u>Fair value through other comprehensive income (FVOCI)</u>: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

<u>Fair value through profit or loss (FVTPL)</u>: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

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Equity instruments: 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 AS103 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- by-instrument 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 P&L, even on sale of investment. However, the Company 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 profit and loss.

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on 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 subsequent years, 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 recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs 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 that are possible within 12 months after the year end.

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 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 etc.) 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.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost 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.

(iv) Derecognition of financial assets

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

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) 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. 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 recognized in the Statement of Profit and Loss.

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Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the Statement of Profit and Loss.

Borrowing Cost: 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.

(iii) Derecognition
A financial liability is derecognized 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 recognized in the Statement of Profit and Loss as finance costs.

2.17 Employee Benefits

(a) **Short-term benefits**

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Other long-term employee benefits**
(i) **Defined contribution plan**
Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**
Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

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(c) **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). 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 Companies' 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.

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.

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

2.18 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity 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 and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.19 Segment Reporting

In accordance with Ind AS 108, Operating segments, segment information has been disclosed in the consolidated financial statements of the Company and no separate disclosure on segment information is given in these standalone financial statements.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, 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 years.

3.1 Estimates and assumptions

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

(a) Taxes

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

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 30.

(b) Defined benefit plans (gratuity benefits and compensated absences)

The cost of the defined benefit plans such as gratuity and compensated absences 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 year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 32.

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(c) Useful lives of property, plant and equipment and intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortization expense in future periods.

(d) Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(e) Provisions

Provisions are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The litigations and claims to which the Company is exposed are assessed by management and in certain cases with the support of external specialised lawyers.

(f) Provision for expected credit losses of trade receivables and contract assets

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables and contract assets.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The Company's historical credit loss experience may also not be representative of customer's actual default in the future.

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6 Property, plant and equipment

Particular	Gross Carrying Amount				Depreciation			Net Carrying Amount	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Depreciation For the year	As at 31 March 2022	As at 31 March 2022	As at 01 April 2021
Furniture and fixtures	0.11	-	-	0.11	0.10	-	0.10	0.01	0.01
Vehicles	1.87	-	-	1.87	0.97	0.23	1.20	0.67	0.90
Office equipment	1.32	11.63	11.63	1.32	0.92	0.10	1.02	0.30	0.40
Computers and equipment	6.60	2.52	0.04	9.08	4.88	1.22	6.10	2.98	1.72
Total	**9.90**	**14.15**	**11.67**	**12.38**	**6.87**	**1.55**	**8.42**	**3.96**	**3.03**

6.01 Revaluation of Assets

The Company has not revalued its property, plant and equipment (including right-of-use assets) during the year.

7 Right-of-use Assets

Particular	Gross Carrying Amount				Depreciation			Net Carrying Amount	
	As at 1 April 2021	Additions	Disposals	As at 31 March 2022	As at 1 April 2021	Depreciation For the year	As at 31 March 2022	As at 31 March 2022	As at 01 April 2021
Buildings	45.24	-	-	45.24	-	5.64	5.64	39.60	45.24
Total	45.24	-	-	45.24	-	5.64	5.64	39.60	45.24

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7.01 Leases where company is a lessee

The Company also has certain leases of office space with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases. (Recognised in other expenses Refer note 29)

8 Other intangible assets

	Gross Carrying Amount					Amortisation			Net Carrying Amount	
Particular	**As at 01 April 2021**	**Additions – being internally developed**	**Additions**	**Disposals**	**As at 31 March 2022**	**As at 01 April 2021**	**Amortisation For the year**	**As at 31 March 2022**	**As at 31 March 2022**	**As at 01 April 2021**
Bridge Vendor	5.13	-	-	-	5.13	1.03	2.23	3.26	1.87	4.10
Computer Software	0.54	-	-	-	0.54	0.51	0.02	0.53	0.01	0.03
APPI Payroll	5.32	4.02	-	-	9.34	-	2.89	2.89	6.43	5.32
Rise HR Management	2.13	1.61	-	-	3.74	-	1.16	1.16	2.58	2.13
HYRE Equipment	3.19	2.41	-	-	5.60	-	1.74	1.74	3.86	3.19
Total	**16.31**	**8.04**	-	-	**24.35**	**1.54**	**8.04**	**9.58**	**14.74**	**14.77**

8.01 Revaluation of Intangible Assets

The Company has not revalued its Intangible Assets during the year.

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9 Financial Assets- Investments

	As at 31 March 2022
Investment in equity unquoted instruments (fully paid-up)	
Investment in Subsidiaries at cost	
471,892 shares of ₹10 each fully paid up in Integrum Technologies Pvt Ltd	4.72
9,999 shares of ₹10 each fully paid up in CIEL Technologies Pvt Ltd	0.10
Total (equity instruments)	**4.82**
Current	-
Non- Current	4.82
	4.82
Aggregate book value of:	
Unquoted investments	4.82

10 Other financial assets

	31 March 2022	
Financial instruments at amortised cost	Non Current	Current
Security deposits	9.49	0.66
Bank deposits accounts with more than 12 months maturity	67.16	-
Unsettled Credits from bank	-	1.04
Total	76.65	1.70

11 Other non-current assets

	31 March 2022
Reimbursement right for Gratuity (Refer Note 32)	48.56
Total	48.56

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12	Trade receivable	31 March 2022
	Unsecured, considered good	
	Receivable from contract with customer - billed	513.33
	Receivable from contract with customer - unbilled*	192.83
		706.16
	Less: Allowance for expected credit losses	5.00
	Total	**701.16**

*Revenues in excess of invoicing are classified as Contract Assets (unbilled revenue), when Company has satisfied its performance obligations but has not yet issued the invoice. The Company has an unconditional right to consideration before it invoices its customers.

i. Refer Note 36 for the Company's credit risk management process.
ii. Refer Note 34 for Trade receivables from related parties.

12.01 The movement in allowances for doubtful receivables is as follows:

Particulars	31 March 2022
Opening balance	-
Additions / (Reversals)	5.00
Closing Balance	**5.00**

12.02 **Ageing of Trade Receivables**

As at 1 April 2022	Current							
Particulars	**Unbilled Dues**	**Not Due**	**Outstanding for following periods from due date of payment**					
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	192.83	-	485.81	26.58	0.93	-	0.01	706.16
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-	
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)								(5.00)
Total								**701.16**

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		31 March 2022
13	**Cash and cash equivalents**	
	Balances with banks:	
	In current accounts	43.36
	Cash on hand	0.21
	Total	**43.57**

		31 March 2022
14	**Loans**	
	Unsecured, considered good	
	Loans to related parties (Refer Note no.34)	17.69
	Total	**17.69**

14.01 The following disclosures is made where Loans given to its related parties (as defined under Companies Act, 2013)

Name of the subsidiaries	Repayable on demand (Yes / No)	Purpose of Loan	Rate of Interest	31 March 2022 Amount outstanding	31 March 2022 % of Total
Ciel Technologies Pvt Ltd	Yes	Working Capital requirements	9.00%	10.65	14.17%
Ma Foi Strategic Consultants Pvt Ltd	Yes	Working Capital requirements	9.00%	1.81	2.41%
Integrum Technologies Pvt Ltd	Yes	Working Capital requirements	9.00%	2.73	3.63%
Ciel Skills And Careers Pvt Ltd	Yes	Working Capital requirements	9.00%	2.50	3.33%

		31 March 2022
15	**Other current assets**	
	Balance with Government authorities	68.12
	Prepaid expenses	8.90
	Advance to Deputy employees	10.68
	Advances to Employees	0.45
	Reimbursement right for Gratuity	4.58
		92.73

16 Equity Share capital

16.01 Equity shares

	31 March 2022
Authorized Share Capital	
110,00,000 (31 March 2023: 48,00,000, 1 April 2022: 45,00,000) Equity Shares of Rs 10/- each	45.00
	45.00
Issued, subscribed and paid up share capital	
8,084,141 (31 March 2023: 43,91,639, 1 April 2022: 41,84,661) Equity shares of Rs. 10/- each fully paid	41.85
Total	**41.85**

(i) Reconciliation of authorized share capital at the beginning and at the end of the year

Authorized Share Capital	1 April 2022 Number of shares	1 April 2022 Amount
Equity shares of INR 10 each	45,00,000	45.00
0.01% Optional Convertible Preference Shares of INR 10/- each	3,00,000	3.00
Outstanding at the end of the year	**48,00,000**	**48.00**

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Equity Shares	31 March 2022 Number of shares	31 March 2022 Amount
Outstanding at the beginning of the year	35,17,705	35.18
Add:		
Issued during the year (Refer Note a)	6,66,956	6.67
Outstanding at the end of the year	**41,84,661**	**41.85**

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(Amount in INR Millions, unless otherwise stated)

Notes

(a) -Company has maade issue of fully paid 390,857 bonus shares of Rs.10 each in proportion of 01 equity shares for every 09 existing equity shares during the year ending 31 March 2022.
- Company has issued 259,460 equity shares pursuant to conversion of preferance shares into equity shares during the year ending 31 March 2022.
- Company has made private placement of 16,639 fully paid equity shares of Rs. 10 each for the year ended 31 March 2022.

(ii) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each shareholder is entitled to one vote per share held and carry a right to dividend. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	31 March 2022	
Name of the shareholder	**Number of shares**	**% of holding in the class**
Equity shares of INR 10 each fully paid		
Karuppasamy Pandiarajan	21,19,455	50.65%
Hemalatha Rajan	7,59,702	18.15%
Aditya Narayan Mishra	6,82,100	16.30%
Santhosh Nair	4,58,871	10.97%

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.

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Details of Shares held by Promoters at the end of the year

(iv)

Promoter name	31 March 2022	
	No. of Shares	% of total shares
Karuppasamy Pandiarajan	21,19,455	50.65%
Hemalatha Rajan	7,59,702	18.15%
Aditya Narayan Mishra	6,82,100	16.30%
Santhosh Nair	4,58,871	10.97%
Doraiswamy Rajiv Krishnan	15,000	0.36%
Total	**40,35,128**	**96.43%**

16.02 Preference shares

The Company has preference share capital having a par value of INR 10 per share, referred to herein as preference share capital.

	31 March 2022
Authorized	
0.01% Convertible Preference Shares of INR 10/- each 3,00,000	3.00
	3.00
Issued, subscribed and paid up	
0.01% Convertible Preference Shares of INR 10/- each Nil	-
Total	-

*Authorized preference share capital reduced as it is converted to Authorized equity share capital of 300000 equity shares of Rs.10/- each.

17 Other equity

	31 March 2022
Securities premium (Refer Note a)	23.79
Surplus in the Statement of Profit and Loss (Refer Note b)	64.89
Debenture redemption reserve (Refer Note c)	5.97
Other Comprehensive Income (Refer Note d)	(0.07)
	94.58

(a) **Securities premium***	31 March 2022
Opening balance	3.96
Add : Securities premium credited on share issue	19.83
Closing balance	**23.79**

* Securities premium is used to record the premium on issue of shares. Security premium record premium on issue of shares to be utilized in accordance with the Act.

(b) Surplus/(deficit) in the Statement of Profit and Loss

	31 March 2022
Opening balance	10.03
Add: Net Profit/loss for the current year	67.67
Less: Dividend paid	(2.46)
Less: Equity issued	(3.91)
Less: Transfer to Debenture redemption reserve account	(5.97)
Add: Adjustments on account of transition to Ind AS	(0.47)
Closing balance	**64.89**

(c) **Debenture redemption reserve**	31 March 2022
-As at beginning of year	-
-Transfer from retained earnings	5.97
Closing balance	**5.97**

(d) **Other Comprehensive Income**	31 March 2022
Opening Balance	-
Changes during the year (net of taxes)	(0.07)
Closing Balance	**(0.07)**

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18 Non-current borrowings

	31 March 2022
Secured	
Term loan	
From Bank (Refer Note iii, iv)	21.98
Unsecured	
9% Compulsorily convertible Debentures (Refer Note i)	20.00
Non convertible debentures (Refer Note ii)	59.55
From other parties (Refer Note v)	2.61
Total	**104.14**
Less: Current maturities of long term debt	(3.05)
Total non current maturities of non current borrowings	**101.09**

Notes

The Primary Security for the loans are:

1) First Pari-passu charge by way of Hypothecation on entire current assets of the company (Present & Future) and

2) First Pari-passu charge by way of Hypothecation on entire fixed assets of the company (Present & Future)

The collateral Security for the loan are :

1)The loan is secured by Personal guarantee of Mr. K.Pandiarajan and Mrs. Hemalatha Rajan

Terms of repayment

i. 9% Compulsorily convertible Debentures shall be converted into Equity Shares at any time at the option of CCD holders or the Company at a price pursuant to conversion determined at the time.

ii. 10% Non -Convertible Debentures payable quaterly are redeemable at par at the end of twenty four months from the date of allotment. The debenture holder would have an option to request for redemption of NCDs before the end of the maturity period by giving a notice of not less than 90 days to the Company.

iii. Term Loans taken from Canara Bank denominated in INR currency and the balances as at 01 Apr 2022 - Rs. 21.98 Millions

iv. Terms and repayment schedule:

Particulars	Coupon/ Interest rate	Year of maturity	Carrying amount as at
			31 March 2022
(a) Secured term loan from Banks/Financial Instituitions:			
(i) Canara Bank Loan - 0941753000052	7.65%	2022	0.44
(ii) Canara Bank Loan - 0941755000037	7.50%	2024	13.93
(iii) Canara Bank Loan - 170001609360 (Part of GECL)	7.60%	2026	7.61
Total borrowings			**21.98**

v. Unsecured loans:

Particulars	Coupon/ Interest rate	Year of maturity	Carrying amount as at
			01-Apr-22
Unsecured Loans from Banks/Financial Institutions :			
(i) Magma Fincorp Limited	18.00%	2022	1.33
(ii) HDFC Bank Limited	16.00%	2022	0.93
(iii) UGRO Capital Limited	19.50%	2022	0.35
Total borrowings			**2.61**

The Company has acquired all the loans during the year 2019.

19 Provisions

Non Current	31 March 2022
Provision for employee benefits (Refer note 32)	
Provision for gratuity (unfunded)	55.04
Compensated absences (unfunded)	2.23
Total Provisions	**57.27**

Current	31 March 2022
Provision for employee benefits (Refer note 32)	
Provision for gratuity (unfunded)	4.82
Provision for compensated absences (unfunded)	0.25
Total Provisions	**5.07**

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20 Current borrowings	31 March 2022
Secured, from bank, term loan	
-Working capital loans	153.42
-Current maturity of long term debts (refer note no.18)	3.05
Total current borrowings	**156.47**

Details of term and security in respect of the short term borrowings:

The Company has taken the Working Capital Loans with HDFC Bank, Federal Bank and Yes Bank for funding of working capital requirement.

The Primary Security for the loans are:
1) First Pari-passu charge by way of Hypothecation on entire current assets of the company (Present & Future) and
2) First Pari-passu charge by way of Hypothecation on entire fixed assets of the company (Present & Future)

The collateral Security for the loan are :
1)The loan is secured by Personal guarantee of Mr. K.Pandiarajan and Mrs. Hemalatha Rajan

21 Trade payables	31-Mar-22
Total outstanding dues of micro and small enterprises	-
Total outstanding dues of creditors other than micro and small enterprises	8.18
Provision for accrued expenses	17.36
Total	**25.54**

i. Refer Note 35 for trade payables to related parties.
ii. Refer Note 37 for Company's liquidity risk management process.
iii. Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	31 March 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting year:	
Principal	-
Interest	-
Total	**-**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-

21.01 **Trade Payables ageing schedule**

01 April 2022	Current					
Particulars	Unbilled dues	Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	17.36	7.89	0.18	0.11	-	25.54
(iv)Disputed dues - Others	-					
Total	**17.36**	**7.89**	**0.18**	**0.11**	**-**	**25.54**

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22 Other financial liabilities

	31 March 2022
Current	
Staff payables	409.56
Interest accrued but not due on loan	1.37
Total	**410.93**

23 Other current liabilities

	31 March 2022
Statutory due payable	93.23
Advance from customers	23.56
Other payables	0.41
Total	**117.20**

24 Revenue from operations

	31 March 2022
Revenue from contracts with customers	
HR Services	5,210.16
Total	**5,210.16**

(i) The following table discloses the movement in trade receivables (unbilled) as disclosed in Note 12:

	31 March 2022
Balance at the beginning of the year	-
Add: Revenue recognised during the year	187.94
Less: Invoiced during the year	-
Balance at the end of the year	**187.94**

(ii) Disaggregation of revenue

The above break up presents disaggregated revenues from contracts with customers by each of the business segments. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(iii) Performance obligations and remaining performance obligations

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the value of remaining performance obligations for:

(i) contracts with an original expected duration of one year or less and

(ii) contracts for which the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date which are typically contracts of time and material in nature

The aggregate value of performance obligations that are completely or partially unsatisfied, other than those meeting the exclusion criteria mentioned above, as of 31 March 2023 is nil .

25 Other income

	31 March 2022
Interest income	
- on fixed deposits	2.24
Net gains on foreign currency transactions and translations	-
Miscellaneous income	5.94
Total	**8.18**

26 Employee benefits expense

	31 March 2022
Salaries, wages, bonus and other allowances	4,649.66
Contribution to Provident Fund and other funds	338.42
Gratuity expenses (Refer Note 32)	2.24
Staff welfare expenses	5.63
Total	**4,995.95**

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27	**Finance costs**	**31 March 2022**
	Interest on borrowings	29.31
	Interest on delay in payment of taxes	2.13
	Interest expense on lease liabilities	2.55
	Total	**33.99**

28	**Depreciation and amortization expense**	**31 March 2022**
	Depreciation of property, plant and equipment (Refer Note 6)	1.55
	Amortization of intangible assets (Refer Note 8)	8.04
	Depreciation of Right-of-use assets (Refer Note 7)	5.64
	Total	**15.23**

29	**Other expenses**	**31 March 2022**
	Bank charges	0.20
	Rent	5.32
	Travel and conveyance	1.11
	Printing & Stationery	0.44
	Communication, broadband and internet expenses	9.72
	Legal and professional charges	13.14
	Remuneration to Statutory Auditors*	0.69
	Bussines partner fee	66.65
	Bussines promotion expenses	3.76
	Loss allowance on financial assets	4.87
	Miscellaneous expenses	0.90
	Rates and taxes	0.09
	Total	**106.89**

*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

	31 March 2022
As auditor:	
Statutory audit	0.69
Total	**0.69**

30 Taxes

30.01	**Income tax expense charged to the statement of profit or loss**	**31 March 2022**
	- Current tax	-
	- Deferred tax credit	(1.39)
	Income tax expense reported in the statement of profit or loss	**(1.39)**

30.02	**Income tax expense charged to other comprehensive income**	**31 March 2022**
	Net loss/(gain) on remeasurements of defined benefit plans	(0.09)
	Income tax charged to other comprehensive income	**(0.09)**
	Income tax expense attributable to	
	Profit from continuing operations	(1.48)
		(1.48)

30.03	**Reconciliation of tax charge and the accounting profit**	**31 March 2022**
	Profit before tax	(25.98)
	Tax Rate	25.17%
		(6.54)
	- Deductible expenses	6.54
	Deferred Tax benefit during the year (Refere note 31.04)	(1.39)
	Income tax expense	**(1.39)**

(Amount in INR Millions, unless otherwise stated)

30.04 **Deferred tax assets**

Year ended 31 March 2022	**Opening balance**	**Recognised/ (reversed) in Profit or loss**	**Recognised/ (reversed) in other comprehensive income**	**Closing balance**
Deferred tax assets				
On property, plant and equipment	0.03	0.03	-	0.06
On lease liabilities	11.43	(1.71)	-	9.72
On re-measurements gain/(losses) of post-employment benefit obligatioı	1.69	0.23	0.02	1.94
On provision for doubtful debts	-	1.26	-	1.26
On Compensated absences	0.62	-	-	0.62
	13.77	-0.19	0.02	13.60
Deferred tax liabilities				
On Other Intangible Assets	(0.34)	0.17	-	(0.17)
On Right of Use assets	(11.39)	1.42	-	(9.97)
	(11.73)	1.59	-	(10.14)
Deferred tax assets/ (liabilities), net	2.04	1.40	0.02	3.46

30.05 Recognition of deferred tax asset to the extent of deferred tax liability

Particulars	**31 March 2022**
Deferred tax asset	13.60
Deferred tax liabilities	(10.14)
Deferred tax assets/ (liabilities), net	3.46

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31 Earnings per equity share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted earnings per equity share computations:

	Particulars	Year ended 31 March 2022
	Basic earnings per equity share (INR)	17.24
	Diluted earnings per equity share (INR)	16.23
(a)	**Profit attributable to the equity shareholders**	
	Profit attributable to the equity shareholders used in calculating basic earnings per equity share	67.67
	Profit attributable to the equity shareholders used in calculating diluted earnings per equity share	67.67
(b)	**Weighted average number of shares used as denominator**	
	Weighted average number of shares used as denominator in calculating basic earning per share	39,25,003
	Weighted average number of shares used as denominator in calculating diluted earning per share	41,68,292

Computation of weighted average number of shares

Particulars	Year ended 31 March 2023
Number of equity shares outstanding at beginning of the year	35,17,705
Add: Weighted average number of equity shares issued during the year	4,07,298
Weighted average number of shares outstanding at the end of year for computing basic earnings per share	**39,25,003**
Add: Impact of potentially dilutive equity shares - employee stock options	179
Add: Impact of potentially dilutive convertible instruments	2,43,110
Weighted average number of shares outstanding at the end of year for computing diluted earnings per share	**41,68,292**

32 Employee Benefits

(A) Defined contribution plans

Contribution towards employee provident fund and Others, which is a defined contribution plan for the year aggregated to Rs. 338.42 Mn.

A Defined benefit plans (for Core employees)

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act,1972. Under the Act, every employee who has completed 5 years of service are eligible for gratuity on exit at 15 days last drawn salary for each completed year of service. The level of benefits provided depends on the member's duration of service and salary at retirement.

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

i) Amount recognised in balance sheet

Particulars	31 March 2022
Present value of obligation as at the end of the year	6.72
Fair Value of plan assets at the end of the year	-
Net asset / (liability) recognized in Balance Sheet	**6.72**
Current liability	0.24
Non-current liability	6.48
Total	**6.72**

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ii) Changes in the present value of benefit obligation

Particulars	31 March 2022
Present value of obligation at the beginning of the year	5.14
Included in profit or loss	
Current service cost	1.66
Past service cost	-
Interest cost	0.37
	2.03
Included in OCI	
Actuarial (gain)/ loss arising from:	
Changes in demographic Assumptions	-
Changes in financial assumptions	(0.29)
Experience adjustment	(0.16)
	(0.45)
Other	
Benefits paid	-
Present value of obligation at the end of the year	**6.72**

iii) Changes in the fair value of plan assets

The Company does not have any plan assets.

iv) Reconciliation of balance sheet amount

Particulars	31 March 2022
Opening net (asset)/liability	5.14
Expense/(income) recognised in profit and loss	2.03
Expense/(income) recognised in other comprehensive income	(0.45)
Benefits Paid directly be employer	-
Balance sheet (Asset)/Liability at the end of year	**6.72**

v) Expense recognized in the statement of profit and loss

Particulars	31 March 2022
Current service cost	1.66
Past service cost	
- Interest expense on DBO	0.37
Total expenses recognized in the statement of profit and loss	**2.03**

vi) Expense recognized in other comprehensive income

Particulars	31 March 2022
Actuarial (gains)/ losses arising from:	
- Experience	(0.16)
- Assumptions changes	(0.29)
Net actuarial (gains) / losses recognised in OCI	**(0.45)**

vii) Acturial Assumptions

The principal actuarial assumptions used in determining the present value of the defined benefit obligations (weighted average) include:

	Year ended 1 April 2022
Gratuity plan	
Discount rate	7.57%
Future Salary growth	7%
Attrition rate	5%

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(Amount in INR millions, unless otherwise stated)

viii) Maturity analysis

The expected maturity analysis of undiscounted gratuity and medical cost benefits obligations are as follows:

	As on 1 April 2022
Within one year	0.25
Between one and two years	0.26
Between two and five years	0.84
Later than five years	18.56
	19.91

ix) Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Particulars	31 March 2022
Change in Discount rate	
Delta effect + 1%	(0.71)
Delta effect - 1%	0.84
Change in rate of salary increase	
Delta effect + 1%	0.81
Delta effect - 1%	(0.70)
Change in withdrawal rate	
Delta effect + 1%	(0.05)
Delta effect - 1%	0.05
Change in Mortality rate	
Delta effect + 1%	-

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

B Defined benefit plans (for Deputee employees)

The Company has defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act,1972. Under the Act, every employee who has completed 5 years of service are eligible for gratuity on exit at 15 days last drawn salary for each completed year of service. The level of benefits provided depends on the member's duration of service and salary at retirement. The company has a contractual right to receive the reimbursement of the gratuity benefits provided to its deputees.

The Company has recognised gratuity liability and reimbursement rights in respect of deputee employees in accordance with IND AS 19.

The following table summarise the components of net benefit expense recognised in the statement of profit and loss and amounts recognised in the balance

i) Amount recognised in balance sheet

Particulars	1 April 2022
Present value of obligation as at the end of the year	53.14
Fair Value of plan assets at the end of the year	-
Net asset / (liability) recognized in Balance Sheet	**53.14**
Current liability	4.58
Non-current liability	48.56
Total	**53.14**

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ii) Changes in the present value of benefit obligation

Particulars	1 April 2022
Present value of obligation at the beginning of the year	-
Included in profit or loss	
Current service cost	53.14
Past service cost	-
Interest cost	-
	53.14
Included in OCI	
Acquisition / Divestiture	-
Actuarial (gain)/ loss arising from:	
Changes in demographic Assumptions	-
Changes in financial assumptions	-
Experience adjustment	-
Return on plan assets excluding interest income	-
	-
Other	
Employer contributions	
Benefits paid	-
Present value of obligation at the end of the year	**53.14**

iii) Changes in the fair value of plan assets

The Company does not have any plan assets.

iv) Reconciliation of balance sheet amount

Particulars	1 April 2022
Opening net (asset)/liability	-
Expense/(income) recognised in profit and loss	53.14
Expense/(income) recognised in other comprehensive income	-
Balance sheet (Asset)/Liability at the end of year	**53.14**

v) Expense recognized in the statement of profit and loss

Particulars	1 April 2022
Current service cost	53.14
Net Interest cost	-
Past service cost	-
- Interest expense on DBO	-
Total expenses recognized in the statement of profit and loss	53.14

The above employee benefits expense towards gratuity is recognised net of amounts relating to changes in the carrying amount of the right to reimbursement.

vi) Expense recognized in other comprehensive income

Particulars	1 April 2022
Actuarial (gains)/ losses arising from:	
- Experience	-
- Assumptions changes	-
Net actuarial (gains) / losses recognised in OCI	-

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vii) Acturial Assumptions

The principal actuarial assumptions used in determining the present value of the defined benefit obligations (weighted average) include:

	Year ended 1 April 2022
Gratuity plan	
Discount rate	6.92%
Future Salary growth	7%
Attrition rate	50%

viii) Maturity analysis

The expected maturity analysis of undiscounted gratuity and medical cost benefits obligations are as follows:

	As on 1 April 2022
Within one year	4.79
Between one and two years	3.05
Between two and five years	5.49
Later than five years	72.13
	85.47

ix) Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption constant, is presented in the table below. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Particulars	1 April 2022
Change in Discount rate	
Delta effect + 1%	(2.89)
Delta effect - 1%	3.21
Change in rate of salary increase	
Delta effect + 1%	2.95
Delta effect - 1%	(2.69)
Change in withdrawal rate	
Delta effect + 1%	(1.41)
Delta effect - 1%	1.46
Change in Mortality rate	
Delta effect + 1%	0.00

The sensitivity analysis presented above may not be representative of the actual change in the Defined Benefit Obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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x) **Gratuity is a defined benefit plan and entity is exposed to the Following Risks:**

1) Actuarial Risk:

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons :
- Adverse Salary Growth Experience
- Variability in mortality rates
- Variability in withdrawal rates

2) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cashflows.

3) Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & viceversa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

4) Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

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(Amount in INR Millions, unless otherwise stated)

33 Leases where company is a lessee

33.01 Changes in the Lease liabilities

Particulars	Category of ROU Asset Buildings	Total
Balance as at 1 April 2021	45.41	45.41
Recognized during the year	-	-
Unwinding of discount on lease liabilities	2.55	2.55
Payments during the year	(9.32)	(11.56)
Balance as at 31 March 2022	**38.64**	**38.64**

33.02 Break-up of current and non-current lease liabilities

Particulars	31 March 2022
Current Lease Liabilities	7.75
Non-current Lease Liabilities	30.89
Total	**38.64**

33.03 Maturity analysis of lease liabilities

Particulars	31 March 2022
Less than one year	7.75
One to five years	30.89
More than five years	-
Total	**38.64**

33.04 Amounts recognised in statement of Profit and Loss account

Particulars	31 March 2022
Interest on Lease Liabilities	2.55
Short-term leases expensed	5.32
Total	**7.87**

(Amount in INR Millions, unless otherwise stated)

34 Related party disclosures

In accordance with the requirements of Ind AS 24 Related Party Disclosures, names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods are as follows:

(a) Names of related parties and description of relationship as identified by the Company:

Subsidiaries

CIEL Skills and Careers Private Limited (w.e.f. 20 July 2022)
Ma Foi Strategic Consultanats Private limited (w.e.f. 01 February 2023)
Integrum Technologies Private Limited
CIEL Technologies Private Limited

Entities over which KMP are able to exercise significant influence

Sornamal Educational Trust
The Ma Foi Foundation

Key Management Personnel (KMP)/ Others

Karuppasamy Pandiarajan	Executive Chairman & Director
Adityanarayan Mishra	MD & CEO
Santosh Nair	Director & COO
Hemalatha Rajan	Executive Director
Doraiswamy Rajiv	Executive Director
Arunkumar Nerur Thiagarajan	Director
Saurabh Ashok More	Group CFO (w.e.f. 09 June 2022)

(b) Key management personnel compensation:

Particulars	Year ended 31 March 2022
Salaries and other employee benefits to Key Managerial Personnel	14.78

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

(c) Transactions with related parties during the year are as follows:

	Name of the related party	Nature of the relationship	Year ended 31 March 2022
(i)	**Revenue from Operations**		
	Integrum Technologies Private Limited	Subsidairy	0.48
	CIEL Skills and Careers Private Limited	Subsidairy	0.09
(ii)	**Other expenses**		
	Integrum Technologies Private Limited	Subsidairy	7.63
	Mafoi Strategic Consultants Pvt Ltd	Subsidairy	5.92
	CIEL Skills and Careers Private Limited	Subsidairy	0.64

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CIEL HR Services Limited Bangalore 560 102

CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
Special Purpose Standalone Ind AS Financial Statements
Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022
(Amount in INR Millions, unless otherwise stated)

(d) Amount due (to) /from related party :

	Name of the related party	Nature of the relationship	As at 31 March 2022
(i)	**Trade Receivables**		
	Integrum Technologies Private Limited	Subsidiary	0.45
	CIEL Skills and Careers Private Limited	Subsidiary	0.11
(ii)	**Loans and advances given**		
	CIEL Skills and Careers Private Limited	Subsidiary	2.50
	Ma Foi Strategic Consultanats Private limited	Subsidiary	1.81
	Integrum Technologies Private Limited	Subsidiary	2.73
	CIEL Technologies Private Limited	Subsidiary	10.65
(iii)	**Trade payables**		
	CIEL Skills and Careers Private Limited	Subsidiary	0.70
	Ma Foi Strategic Consultanats Private limited	Subsidiary	0.15

(Amount in INR Millions, unless otherwise stated)

35 Fair values of financial assets and financial liabilities

	31 March 2022	
Particulars	**Carrying Amount**	**Fair Value**
Financial assets		
Financial assets valued at amortized cost		
Non Current		
Investments	4.82	4.82
Other financial assets	76.65	76.65
Current		
Trade receivable	701.16	701.16
Cash and cash equivalents	43.57	43.57
Loans	17.69	17.69
Other financial Assets	1.70	1.70
Total financial assets	**845.59**	**845.59**
Financial liabilities		
Financial Liabilities valued at amortized cost		
Non Current		
Borrowings	101.09	101.09
Lease Liabilities	30.89	30.89
Current		
Borrowings	156.47	156.47
Trade payables	25.54	25.54
Lease Liability	7.75	7.75
Other financial Liabilities	410.93	410.93
Total financial liabilities	**732.67**	**732.67**

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

cost.

2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(i.e. derived from prices).

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The company does not have any financial assets or financial liabilities fair valued through Profit or loss or fair value through OCI. Accordingly, disclosure of financial instruments by valuation technique is not provided.

36 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

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

(i) 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 exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity: The company do not have any exposure to borrowings with fluctuating interest rates during the year ending 31 March 2022

(ii) Price risk

The Company do not have any exposure to price risk, as the company do not have any investments in mutual funds (debt fund, equity fund, liquid schemes and income funds etc.), short term debt funds, government securities etc.

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(Amount in INR Millions, unless otherwise stated)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument 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 the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

The Company is not significantly exposed to currency risk as the Company's functional currency in INR and revenues and costs are primarily denominated in INR and therefore disclosures required under "Ind AS 107 - Financial Instruments: Disclosures" have not been given.

(B) **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

(C) **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

31 March 2024	Carrying Amount	Up to 3 Months	3 to 12 months	1 to 5 years	More than 5 years	Total
Short term borrowings	156.47	-	156.47	-	-	156.47
Long-term borrowings	101.09	-	-	101.09	-	101.09
Lease Liabilities	38.64	1.68	6.07	30.89	-	38.64
Trade payables	25.54	25.54		-	-	25.54
Other financial liabilities	410.93	410.93	-	-	-	410.93
	732.67	**438.15**	**162.54**	**131.98**	**-**	**732.67**

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(Amount in INR Millions, unless otherwise stated)

37 Employee Stock Option Scheme (ESOP)

The board vide its resolution dated 27 January 2022 approved Ciel HR Services Private Limited Employee Stock Option Plan, 2022 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

Once vested, the options remain exercisable for a period of 02 years.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year.

Particulars	31-Mar-22	
	Number	WAEP (INR)
Options outstanding at beginning of year		
Add:		
Options granted during the year	65,300	10
Less:		
Options exercised during the year	-	-
Options forfeited during the year	-	-
Options outstanding at the end of year	65,300	
Option exercisable at the end of year	-	

The options outstanding at the year ending on 31 March 2022 with exercise price of Rs.10 are 65,300 options.

The fair value of Employee Stock Options has been measured using Black Scholes Model of pricing.
The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Particulars	31 March 2022
Weighted average fair value of the options at the grant dates (INR)	1193.26
Dividend yield (%)	0%
Risk free interest rate (%)	4.97% to 5.67%
Expected life of share options (years)	2 to 3 years
Expected volatility (%)	39.07% to 44.26%
Weighted average share price (INR)	1193.26

38 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,

(iv) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(v) The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

(vi) The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vii) Utilisation of Borrowed funds and share premium:

(i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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

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(Amount in INR Millions, unless otherwise stated)

40 The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

41 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, does not meet the applicability threshold for the year ended 31 March 2022 Corporate Social Responsibility ("CSR") was applicable and CSR committee has been formed by the Company as per the Act.

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has distributed dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents term loans from banks and financial institutions and Debentures (both Non-Convertible Debentures and Compulsorily Convertible Debentures) and current borrowing in the form of Cash Credits and Overdraft Facilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 March 2022
Equity		41.85
Convertible preference share		-
Total equity	(i)	41.85
Borrowings other than convertible preference shares		257.56
Less: cash and cash equivalents		(43.57)
Total debt	(ii)	213.99
Overall financing	(iii) = (i) + (ii)	255.84
Gearing ratio	(ii)/ (iii)	84%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022.

43 The Board of Directors at their meeting held on 09 May, 2022 declared final dividend of INR 1.00 per equity share (face value of INR 10.00 each) for the financial year 2021-22 aggregating to INR 4.18 Mn which was paid on 20 Jun 2022.

The Company is in compliance with Section 123 of the Act.

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

CIEL HR Services Limited Bangalore 560 102

44 The Code on Social Security 2020

The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

45 The standalone financial statements are approved for issue by the Company's Board of Directors on 27 June 2024

As per our report of even date
For A. JOHN MORIS & Co
Chartered Accountants
Firm Registration No.:007220S

Balagopal CM
Partner
Membership No: 029128

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

Place: Chennai, India
Date: 27 June 2024

For and on behalf of the Board of Directors of
CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)
CIN: U74140TN2010PLC077095

Karuppasamy Pandiarajan
Chairman and Executive Director
DIN:00116011

Place: Chennai, India
Date: 27 June 2024

Aditya Narayan Mishra
Managing Director and CEO
DIN: 05303409

Place: Bangalore, India
Date: 27 June 2024

Saurabh Ashok More
Group Chief Financial Officer

Place: Bangalore, India
Date: 27 June 2024

Lalita Pasari
Company Secretary

Place: Bangalore, India
Date: 27 June 2024

CIEL HR Services Limited Bangalore 560 102

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)

Report on the Audit of the Special Purpose Standalone IND AS Financial Statements

Opinion

We have audited the accompanying Special Purpose Standalone IND AS Financial Statements of **CIEL HR Services Limited**, which comprise the Balance Sheet as at March 31, 2023, Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information and disclosure. The Special Purpose Standalone IND AS Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors in accordance with Indian accounting Standards ("Ind AS") as prescribed under Sec 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 ('the Rules') along with adequate disclosures in accordance with applicable regulations and generally accepted accounting principles.

In our opinion, the accompanying Special Purpose Standalone IND AS Financial Statements give a true and fair view of the financial position of the Company as at March 31, 2023, and of its financial performance and its cash flow for the year ended in accordance with the financial reporting provisions set out in Note 2.01 (a) to the Special Purpose Standalone IND AS Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Standalone IND AS Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.01 to the Special Purpose Standalone IND AS Financial Statements, which describe the basis of accounting. The Special Purpose Standalone IND AS Financial Statements have been prepared in accordance with the Indian accounting Standards ("Ind AS") as prescribed under Sec 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, other accounting principles generally accepted in India except for disclosure of comparatives which is exempt as per SEBI ICDR Regulations. The Special Purpose Standalone Ind AS Financial Statements are prepared to assist the company for the purpose of preparation of Restated Consolidated Financial Information to be included in the Draft Red Hearing

Prospectus("DRHP") ("Offer Document") of the Company in relation to its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("the Guidance Note"). As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the use of Company to comply with the requirements of SEBI ICDR Regulations and should not be distributed to or used by any other parties. We, A. JOHN MORIS & Co shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Other Matter

a) The Company has prepared a separate set of financial statements for the year ended March 31, 2023 in accordance Accounting Standards specified under section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, were audited by us and our report dated April 27, 2023, expressed an unmodified opinion.

b) The Special Purpose Standalone IND AS Financial Statements for the year ended March 31, 2023, have been prepared by the Management in accordance with the basis of preparation stated in Note 2.01(a) to the Special Purpose Standalone IND AS Financial Statements solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Standalone IND AS Financial Statements

Responsibilities of Management and Those charged with Governance for Special Purpose Standalone IND AS Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Standalone IND AS Financial Statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company, in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of special purpose IND AS financial statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Standalone IND AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Standalone IND AS Financial Statements.

For A. JOHN MORIS & Co

Chartered Accountants
ICAI Firm Registration No. 007220S

A. JOHN MORIS & CO., Chennai-14 Chartered Accountants

CA Balagopal CM
Partner
Membership No. 029128
UDIN: 24029128BKDGSJ7695

Place: Chennai, India
Date: June 27, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE STANDALONE IND AS FINANCIAL STATEMENTS OF CIEL HR SERVICES LIMITED (FORMERLY KNOWN AS CIEL HR SERVICES PRIVATE LIMITED)

Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS 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 Special Purpose Standalone IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has internal financial controls with reference to Special Purpose Standalone IND AS Financial Statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Standalone IND AS 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.

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

- Evaluate the overall presentation, structure and content of the Special Purpose Standalone IND AS Financial Statements, including the disclosures, and whether the Special Purpose Standalone IND AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For A. JOHN MORIS & Co

Chartered Accountants
ICAI Firm Registration No. 007220S

A. JOHN MORIS & CO., Chennai-14 * Chartered Accountants *

CA Balagopal CM
Partner
Membership No. 029128
UDIN: 24029128BKDGSJ7695

Place: Chennai, India
Date: June 27, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of CIEL HR Services Limited (Formerly known as CIEL HR Services Private Limited)

Report on the Audit of the Special Purpose Standalone IND AS Financial Statements

Opinion

We have audited the accompanying Special Purpose Standalone IND AS Financial Statements of **CIEL HR Services Limited**, which comprise the Balance Sheet as at March 31, 2022, Statement of Profit and Loss and the Cash Flow Statement for the year the ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information and disclosure. The Special Purpose Standalone IND AS Financial Statements have been prepared by the Management of the Company and approved by the Board of Directors in accordance with Indian accounting Standards ("Ind AS") as prescribed under Sec 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 ('the Rules') along with adequate disclosures in accordance with applicable regulations and generally accepted accounting principles.

In our opinion, the accompanying Special Purpose Standalone IND AS Financial Statements give a true and fair view of the financial position of the Company as at March 31, 2022, and of its financial performance and its cash flow for the year ended in accordance with the financial reporting provisions set out in Note 2.01 (a) to the Special Purpose Standalone IND AS Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Special Purpose Standalone IND AS Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 2.01 to the Special Purpose Standalone IND AS Financial Statements, which describe the basis of accounting. The Special Purpose Standalone IND AS Financial Statements have been prepared in accordance with the Indian accounting Standards ("Ind AS") as prescribed under Sec 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended, other accounting principles generally accepted in India except for disclosure of comparatives which is exempt as per SEBI ICDR Regulations. The Special Purpose Standalone Ind AS Financial Statements are prepared to assist the company for the purpose of preparation of Restated Consolidated Financial Information to be included in the Draft Red Hearing

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

Prospectus("DRHP") ("Offer Document") of the Company in relation to its proposed initial public offering of equity shares as required by Section 26 of Part I of Chapter III of the Act, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI ("the Guidance Note"). As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the use of Company to comply with the requirements of SEBI ICDR Regulations and should not be distributed to or used by any other parties. We, A. JOHN MORIS & Co shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Other Matter

a) The Company has prepared a separate set of financial statements for the year ended March 31, 2022 in accordance Accounting Standards specified under section 133 of the Act, read together with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, were audited by us and our report dated May 09, 2022, expressed an unmodified opinion.

b) The Special Purpose Standalone IND AS Financial Statements for the year ended March 31, 2022, have been prepared by the Management in accordance with the basis of preparation stated in Note 2.01(a) to the Special Purpose Standalone IND AS Financial Statements solely for the purpose of preparation of Restated Consolidated Financial Information to be included in the Offer Documents in connection with the proposed initial public offering of equity shares of the Company. Accordingly, the management has not presented the corresponding comparative figures in these Special Purpose Standalone IND AS Financial Statements

Responsibilities of Management and Those charged with Governance for Special Purpose Standalone IND AS Financial Statements

Management is responsible for the preparation and fair presentation of these Special Purpose Standalone IND AS Financial Statements that give a true and fair view of the state of affairs, results of operations and cash flows of the Company, in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of special purpose IND AS financial statement that are free from material misstatement whether due to fraud or error.

In preparing the Special Purpose Standalone IND AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating 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.

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Standalone IND AS Financial Statements.

For A. JOHN MORIS & Co

Chartered Accountants
ICAI Firm Registration No. 007220S

CA Balagopal CM
Partner
Membership No. 029128
UDIN: 24029128BKDGSI5937

Place: Chennai, India
Date: June 27, 2024

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE STANDALONE IND AS FINANCIAL STATEMENTS OF CIEL HR SERVICES LIMITED (FORMERLY KNOWN AS CIEL HR SERVICES PRIVATE LIMITED)

Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS 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 Special Purpose Standalone IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has internal financial controls with reference to Special Purpose Standalone IND AS Financial Statements in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Standalone IND AS 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.

A. JOHN MORIS & CO. Chennai-14 Chartered Accountants

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 Special Purpose Standalone IND AS Financial Statements, including the disclosures, and whether the Special Purpose Standalone IND AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For A. JOHN MORIS & Co

Chartered Accountants
ICAI Firm Registration No. 007220S

CA Balagopal CM
Partner
Membership No. 029128
UDIN: 24029128BKDGSI5937

Place: Chennai, India
Date: June 27, 2024