1 General Information

Allsec Technologies Limited ('Allsec' or the 'Company') was incorporated on 24 August 1998. The Company is engaged in the business of providing Digital Business Services (DBS) and Human Resource Outsourcing (HRO) services for customers located in India and outside India. The services provided by the Company include data verification, processing of orders received through telephone calls, telemarketing, monitoring quality of calls of other call centers, customer services and HR and payroll processing. The Company has delivery centers at Chennai, Bengaluru and NCR. The Company has three wholly owned subsidiaries, Allsectech Inc., USA, Allsectech Manila Inc., Philippines and Retreat Capital Management Inc., USA.

Application of revised Ind AS

Statement of Compliance

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements.

Recent Accounting Pronouncements:

(i) Amendments to Ind AS 1 and Ind AS 8 – Definition of "material":

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(ii) Amendments to Ind AS 116 – COVID-19 related rent concessions:

The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19- related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

(c) There is no substantive change to other terms and conditions of the lease.

The Company did not get any rent concessions from the lessor during the current year."

(iii) Amendments to Ind AS 103 - Definition of a business:

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The Company has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable."

(iv) Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform:

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The Company has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable.

Amendment to Schedule III of the Companies Act, 2013

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and II of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which related to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

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

Statement of profit and loss:

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

Code on Social Security, 2020

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020.The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of theCode when it comes into effect and will record any related impact in the period when the Code becomes effective.

2 Summary of significant accounting policies

2.1 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

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

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

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

Going Concern:

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2 Use of estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for taxation, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

2.3 Cash and cash equivalents (for purposes of cash flow statement)

Cash comprises cash on hand, balances with banks in current accounts and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

2.4 Cash flow statement

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

2.5 Revenue from contracts with customers

The Company derives revenues primarily from services comprising the DBS and HRO services for customer in India and outside India. Effective 01 April 2018, the Company has adopted Ind AS 115, Revenue from Contracts with Customers, using modified retrospective method, applied to contracts that were not completed as at 01 April 2018. The following is a summary of the significant accounting policies related to revenue recognition.

To determine whether to recognise revenue from contracts with customers, the Company follows a 5-step process:

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

5 Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers is recognised upon transfer of control of promised products or services to the customer at an amount that reflects the consideration the company expects to receive in exchange for those products or services. Agreements with customers are either on a fixed price, fixed time frame or on a time- and - material basis.

Revenue on time-and-material basis contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to the measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

In arrangements for one time services, the Company has applied the guidance in Ind AS 115, Revenue from Contracts with Customers, by applying the revenue recognition criteria for each distinct performance obligation. The contracts with customers generally meet the criteria for considering the principal service and one-time service as distinct performance obligations and consideration for the each of such service is clearly specified in the contract, that enables to arrive at the transaction price for each performance obligations which is best evidence of its standalone selling price.

2.6 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established, provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable."

2.7 Property, plant and equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment loss (if any). The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates and includes taxes, duties, freight, incidental expenses related to the acquisition and installation of the assets concerned and is net of Goods and Service Tax (GST), wherever the credit is availed. Borrowing costs paid during the period of construction in respect of borrowed funds pertaining to construction / acquisition of qualifying property, plant and equipment is adjusted to the carrying cost of the underlying property, plant and equipment.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalised separately, based on the technical assessment of the management.

Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalised, where there is a certainty of deriving future economic benefits from the use of such assets.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation:

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The management, basis its past experience and technical assessment, has estimated the useful life in order to reflect the actual usage of the assets. The estimated useful lives of assets are as follows::

Asset Description	Useful lives (Years) followed by the Company	Useful lives (Years) prescribed under Schedule II to the Companies Act, 2013
Computers and servers	3 - 10	3
Call Centre Equipments	3 - 10	15
Furniture and fixtures	3 - 10	10
Office Equipment	5	5
Vehicles – Motor Cars	3 - 5	8

Leasehold improvements are amortised over the estimated useful lives or the remaining primary lease period, whichever is less.

The estimated useful lives mentioned above are different from the useful lives specified for certain categories of these assets, where applicable, as per the Schedule II of the Companies Act, 2013. The estimated useful lives followed in respect of these assets are based on Management's assessment and technical advise, taking into account factors such as the nature of the assets, the estimated usage pattern of the assets, the operating conditions, past history of replacement, anticipated technological changes and maintenance support etc.

Depreciation is accelerated on property, plant and equipment, based on their condition, usability etc., as per the technical estimates of the Management, where necessary.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

2.8 Other intangible assets

Intangible assets acquired separately:

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

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred

from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately."

Amortisation

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on management's estimate of useful lives of such software of 4 years, or over the license period of the software, whichever is shorter.

Derecognition of intangible assets

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

2.9 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

2.10 Leases

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

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

The lease liability is presented as a separate line item in the balance sheet.

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

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

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

The Company did not make any such adjustments during the periods presented.

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

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

The right-of-use assets is presented as a separate line item in the balance sheet.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

2.11 Foreign currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Treatment of Exchange Differences:

All monetary assets and liabilities in foreign currency are restated at the end of accounting period at the closing exchange rate and exchange differences on restatement of all monetary items are recognized in the Statement of Profit and Loss.

2.12 Financial Instruments

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

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

2.12.1 Financial Assets

(a) Recognition and initial measurement

(i) The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

(b) Classification of financial assets

On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previous accumulated in this reserve is reclassified to profit or loss.

For the impairment policy in financial assets measured at amortised cost, refer Note 2.12.e All other financial assets are subsequently measured at fair value.

(c) Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

(d) Financial assets at fair value through profit or loss (FVTPL)

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

(e) Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss 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 Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

(f) Derecognition of financial assets

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

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

(g) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in Statement of Profit and Loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.12.2 Financial Liabilities and Equity Instruments

(a) Classification as debt or equity

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(c) Financial Liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

(d) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109."

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

(e) Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The Company enters into deferred payment arrangements (acceptances) whereby overseas lenders such as banks and other financial institutions make payments to supplier's banks for capital expenditure. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months (for capital expenditure). These arrangements for raw materials are recognized as Acceptances (under trade payables) and the arrangements for capital expenditure are recognised as other financial liabilities.

(f) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified parties fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by an entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

(g) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(h) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Forward contracts

The group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to probable forecast transactions. Such forward contracts are initially recognized at fair value on the date on which the contract is entered into and subsequently re-measured at fair value. These forward contracts are stated at fair value at each reporting date and these changes in fair value of these forward contract is recognized in statement of profit or loss. At each reporting date the net balance after fair valuation is shown as part as of other financial asset or liability.

2.13 Investment in Subsidiaries

Investment in equity instruments issued by subsidiaries are measured at cost less impairment. Dividend income from subsidiaries and associates is recognised when its right to receive the dividend is established. The acquired investment in subsidiaries are measured at acquisition date fair value.

2.14 Employee Benefits

Retirement benefit costs and termination benefits:

Defined Benefit Plans:

Employee defined benefit plans include gratuity.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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

Defined Contribution Plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset). If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the Group reduces service cost by attributing the contributions to periods of service using the attribution method required by Ind AS 19.70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the Group reduces service cost in the period in which the related service is rendered / reduces service cost by attributing contributions to the employees' periods of service in accordance with Ind AS 19.70.

Employee defined contribution plans include provident fund and Employee state insurance. All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

2.15 Earnings per equity share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.16 Taxation

Current Tax:

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

Deferred Tax:

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

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

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

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

MAT Credit Entitlement:

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT Credit becomes eligible to be recognized as an asset, in accordance with the provisions contained in the Guidance Note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

2.17 Contingent liabilities, Contingent Assets and Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

2.18 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.19 Goods and ServiceTax Input Credit

Goods and service tax input credit is accounted for in the books during the period when the underlying service received is accounted and when there is no uncertainty in availing / utilizing the credits.

2.20 Insurance Claims

Insurance claims are accrued for on the basis of claims admitted / expected to be admitted and to the extent there is no uncertainty in receiving the claims.

2.21 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.22 Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Critical accounting judgements and key sources of estimation uncertainty

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

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

The following are the significant areas of estimation, uncertainty and critical judgements in applying accounting policies:

- Useful lives of Property, plant and equipment and intangible assets
- Evaluation of Impairment indicators and assessment of recoverable value
- Provision for taxation
- Provision for disputed matters
- Allowance for Expected Credit Loss
- Fair value of financial assets and liabilities
- Assets and obligations relating to employee benefits

Determination of functional and presentation currency:

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupees (₹), the national currency of India, which is the functional currency of the Company. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment							Other Intangible assets - Computer software
	Computers and servers	Call centre equipment	Furniture and fittings	Office equipment	Vehicles	Leasehold improvements	Total	
Gross block								
Balance as at 01 April 2019	369	533	57	232	331	63	1,585	629
Additions	1	18	33	45	-	5	102	122
Assets acquired as part of business combination	24	-	1	7	-	1	33	-
Disposals	-	-	-	(1)	(108)	-	(109)	-
Balance as at 31 March 2020	**394**	**551**	**91**	**283**	**223**	**69**	**1,611**	**751**
Additions	8	62	-	30	-	128	228	302
Assets acquired as part of business combination	-	-	-	-	-	-	-	-
Disposals	-	-	-	(23)	(147)	-	(170)	-
Balance as at 31 March 2021	**402**	**613**	**91**	**290**	**76**	**197**	**1,669**	**1,053**
Accumulated depreciation/ amortisation								
Balance as at 01 April 2019	157	275	22	87	142	40	723	331
Depreciation/amortisation expense for the year	119	87	10	44	65	15	340	102
Reversal on sale of assets	-	-	-	(1)	(91)	-	(92)	-
Balance as at 31 March 2020	**276**	**362**	**32**	**130**	**116**	**55**	**971**	**433**
Depreciation/amortisation expense for the year	89	83	11	44	32	31	290	154
Reversal on sale of assets	-	-	-	(23)	(88)	(3)	(114)	-
Balance as at 31 March 2021	**365**	**445**	**43**	**151**	**60**	**83**	**1,147**	**587**
Net block								
Balance as at 31 March 2020	118	189	59	153	107	14	640	318
Balance as at 31 March 2021	**37**	**168**	**48**	**139**	**16**	**114**	**522**	**466**

Note: 1. Depreciation and amortisation expense:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation of Property, Plant and Equipment	290	340
Amortisation of Other intangible assets	154	102
Depreciation of Right of use asset (Refer Note 26(c))	1,275	1,013
Total	**1,719**	**1,455**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
4 Investments		
A Non-current (Unquoted)		
Investments carried at cost		
Investments in equity instruments of subsidiaries (fully paid-up)		
Allsectech Inc, USA	1,214	1,214
- 100 (31 March 2020 - 100) Common stock of US $ 23,100 each, fuly paid up		
Allsectech Manila Inc., Philippines	1,020	1,020
- 8,12,500 (31 March 2020 - 8,12,500) Equity shares of Philippine Pesos (PHP) 100 each fully paid up		
Retreat Capital Management Inc., USA*	-	1,307
- Nil (31 March 2020 - 1,160) Common stock of US $10 each, fully paid up		
Total Cost	**2,234**	**3,541**
Provision for impairment (Refer Note 37)	(1,214)	(2,521)
Total non-current investments	**1,020**	**1,020**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	1,020	1,020
Aggregate amount of impairment in the value of investments	1,214	2,521
Extent of investment in subsidiaries		
Allsectech Inc, USA	100%	100%
Allsectech Manila Inc., Philippines	100%	100%
Retreat Capital Management Inc., USA*	0%	100%
*Retreat Capital Management Inc., the wholly owned subsidiary in the US, was wound up during the current year. The Secretary of State (California) has issued the certificate of dissolution dated 19 February 2021.		
B. Current (Quoted)		
Investments carried at fair value through profit and loss		
Investment in mutual funds	4,971	3,339
Total current investments	**4,971**	**3,339**
Aggregate amount of quoted investments and market value thereof	4,971	3,339
Aggregate book value of investments	4,971	3,339
Aggregate amount of impairment in the value of investments	-	-

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Details of investment in mutual funds

Name of Mutual fund	Number of Units		Carrying Value	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Hdfc Floating Rate Debt Fund - Growth	13,38,487	13,38,486	508	470
HDFC Money Market Fund – Growth	10,186	10,186	450	426
ICICI Prudential Savings Fund - Growth	1,27,588	1,07,765	531	417
Kotak Money Market Scheme - Growth	13,436	13,436	466	443
Kotak Liquid Regular Plan Growth	14,607	14,607	605	584
UTI Liquid Cash Plan - Regular Growth Plan	4,399	4,399	148	142
UTI Money Market Fund - Regular Growth Plan	18,838	18,838	447	424
Baroda Liquid Fund - Plan B Growth	-	18,904	-	433
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	10,52,869	-	403	-
HDFC Ultra Short Term Fund – Direct Growth	25,50,008	-	304	-
HDFC Ultra Short Term Fund – Regular Growth	8,63,090	-	102	-
ICICI Prudential Savings Fund - DP - Growth	71,632	-	301	-
Kotak Banking and PSU Debt Fund - Growth (Regular Plan)	5,98,776	-	301	-
Kotak Money Market Fund - Direct Plan - Growth	5,862	-	204	-
UTI Money Market Fund - Direct Growth Plan	8,386	-	201	-
*** No of units are in absolute numbers**			**4,971**	**3,339**

Particulars	As at March 31, 2021	As at March 31, 2020
5 Other financial assets		
Non-current		
Security deposits		
- Unsecured, considered good	511	471
- Doubtful	-	-
Advance towards rental of lease premises	84	-
Others	1	3
Total	**596**	**474**
Current		
Foreign currency forward contracts receivable	51	-
Unbilled revenue	1,350	1,052
Other advances	10	226
Total	**1,411**	**1,278**

	Particulars	As at March 31, 2021	As at March 31, 2020
6	**Non-current tax asset**		
	Advance Taxes (Net of Provision for taxes)	722	1,347
	Total	**722**	**1,347**
7	**Other assets**		
	Non current		
	Prepaid Expenses	5	4
		5	**4**
	Current		
	Prepaid expenses	261	171
	Advance to suppliers	1	40
	Others	70	8
	Total	**332**	**219**
8	**Trade receivables**		
	Receivables considered good, Secured	-	-
	Receivables considered good, Unsecured	3,450	3,344
	Doubtful	108	129
	Sub-total	**3,558**	**3,473**
	Less: Allowance for doubtful debts (expected credit loss allowance)	(108)	(129)
	Total	**3,450**	**3,344**

8.1 Credit period and risk

The average credit period for the services rendered:

(a) Trade receivables (Domestic) are non-interest bearing and are generally on terms ranging from 7 days to 90 days. (31 March 2020: Ranging from 45 days to 90 days)

(b) Trade receivables (International) are non-interest bearing and are generally on terms ranging from 7 days to 90 days. (31 March 2020: Ranging from 30 days to 180 days)

Of the trade receivable balance as at March 31, 2021, there are no customers who represent more than 10% of the total outstanding trade receivable balance. One of the customers accounted for more than 10% of the receivables (₹ 387 lakhs) as at 31 March 2020.

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

8.2 Expected credit loss allowance

The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Age of receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Domestic Customers:		
(i) Within Credit period	2,011	1,744
(ii) 0 - 1 year	789	730
(iii) 1 - 2 years	70	109
(iv) 2 - 3 years		
(v) More than 3 years		
Sub-total (A)	**2,870**	**2,583**
International Customers:		
(i) Within Credit period	603	694
(ii) 0 - 1 year	85	196
(iii) 1 - 2 years		
(iv) 2 - 3 years		
(v) More than 3 years		
Sub-total (B)	**688**	**890**
Grand Total (A + B)	**3,558**	**3,473**

Based on the assessment of the Company, there is no risk associated with the dues from the related parties both from a credit risk or time value of money as these are managed through the group's cash management process and can be recovered on demand by the Company. Accordingly, no provisions has been considered necessary.

With regard to other parties, the company had, based on past experience, wherein collections are done within a year of it being due and expectation in the future Credit loss, has made necessary provisions.

8.3 Movement in the allowance for doubtful receivables (including expected credit loss allowance)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	129	20
Add: Allowance towards Expected credit loss provided	48	121
Less: Allowances written off during the year	69	12
Balance at end of the year	**108**	**129**

	Particulars	As at March 31, 2021	As at March 31, 2020
9	**Cash and cash equivalents**		
	(a) Cash on hand	-	5
	(b) Balance with banks*	3,737	3,706
	Total	**3,737**	**3,711**
	* Balance with banks as at 31 March 2021 and 31 March 2020 include restricted bank balances of ₹ 5 lakhs each. The restricted balances pertains to unclaimed dividend / unpaid dividends.		
10	**Bank balances other than cash and cash equivalents**		
	Balances with bank held as margin money*	139	135
	Total	**139**	**135**
	* Margin money deposits are provided as security against guarantee.		

	Particulars	As at March 31, 2021		As at March 31, 2020	
		Number of Shares	Amount	Number of Shares	Amount
11	**Equity share capital**				
	Authorised				
	Equity shares of ₹ 10/- each	2,00,00,000	2,000	2,00,00,000	2,000
	Convertible preference shares of ₹ 100/- each	13,50,000	1,350	13,50,000	1,350
	Issued, subscribed and fully paid-up				
	Equity shares of ₹ 10/- each fully paid up	1,52,38,326	1,524	1,52,38,326	1,524
	Total	**1,52,38,326**	**1,524**	**1,52,38,326**	**1,524**

a) There is no change in issued and subscribed share capital during the current period and in the previous year.

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

Equity shares of ₹ 10/- each fully paid

Sl. No.	Particulars	As at March 31, 2021		As at March 31, 2020	
		Number of Shares	Amount	Number of Shares	Amount
1	Saravanan A*	-	-	3,80,958	2.50%
2	Jagadish R*	-	-	3,80,958	2.50%
3	Conneqt Business Solutions Limited	1,11,82,912	73.39%	1,11,82,912	73.39%
	* Ceased to be promoters w.e.f 25 August 2020				

c) **Rights, preferences and restrictions attached to equity shares**

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) There were no shares issued pursuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issues or brought back during the last five years immediately preceding 31 March 2021.

Particulars	As at March 31, 2021	As at March 31, 2020
12 Other equity		
a) Securities premium (Refer Note 12.1 below)		
Balance at the beginning of the year	12,019	12,019
Add : Additions made during the year	-	-
Balance at the end of the year	**12,019**	**12,019**
b) Capital reserve (Refer Note 12.2 below)		
Balance at the beginning of the year	(2,175)	251
Add : Additions made during the year (Refer Note 36)	-	(2,426)
Balance at the end of the year	**(2,175)**	**(2,175)**
c) General reserve (Refer Note 12.3 below)		
Balance at the beginning of the year	1,413	1,413
Add : Additions made during the year	-	-
Balance at the end of the year	**1,413**	**1,413**
d) Retained earnings (Refer Note 12.4 below)		
Balance at the beginning of the year	1,280	2,267
Less: Dividends (Refer Note 35)	-	(1,524)
Less: Dividend distribution tax	-	(310)
Add: Profit for the year	1,597	945
Add : Remeasurement of defined benefits plan (net of taxes)	(29)	(98)
Balance at the end of the year	**2,848**	**1,280**
Total	**14,105**	**12,537**

Notes:

12.1: Amounts received on issue of shares in excess of the par value has been classified as securities premium, net of utilisation.

12.2: Capital reserve comprises initial application money on warrants received, forfeited subsequently. Addition during the previous year ended 31 March 2020 of ₹ 2,426 lakhs represents reserve arising on business combination, recognised on acquisition of the statutory compliance business from Coachieve (Also Refer Note 36).

12.3: This represents appropriation of profit by the Company.

12.4: Retained earnings comprises of the amounts that can be distributed by the Company as dividends to its equity share holders.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
13 Borrowings		
Non-Current		
From banks		
(i) Finance lease obligation (Secured) #	1	18
	1	**18**

Finance lease from HDFC Bank - Secured

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2021	Repayment Terms	As at 31 March 2021
Ranging between 36 - 60	Ranging between 8% - 10%	91	Principal Quarterly, Interest Monthly	16
Less: Current maturities of long-term borrowings (Refer Note 14)				15
Long term Borrowings				**1**

Original Tenor (in Months)	Interest Rate	No. of Instalments outstanding as at 31 March 2020	Repayment Terms	As at 31 March 2020
Ranging between 36 - 60	Ranging between 8% - 10%	195	Principal Quarterly, Interest Monthly	40
Less: Current Maturities of long-term borrowings (Refer Note 14)				22
Long term Borrowings				**18**

Finance lease obligations are secured by hypothecation of the respective vehicles acquired on hire purchase and carry an interest rate of 8%-10% p.a (31 March 2020: 8%-10% p.a) with repayment term ranging from 3 to 5 years.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	As at March 31, 2021	As at March 31, 2020
14	**Other financial liabilities**		
	Current		
	Current maturities of finance lease obligations (Refer note 13)	15	22
	Foreign currency forward contracts payable	-	81
	Total	**15**	**103**
15	**Provisions**		
	Non-current		
	Gratuity	508	449
	Total	**508**	**449**
	Current		
	Gratuity	60	60
	Compensated absences*	209	202
	Total	**269**	**262**
	* The amount of compensated absences provision is presented as current, since the Company does not have an unconditional right to defer settlement for this obligation.		
16	**Trade payables**		
	- Other than Acceptances (Refer Note 30)	-	-
	- Dues of Micro Enterprises and Small Enterprises	2	-
	- Dues of Creditors Other than Micro Enterprises and Small Enterprises	1,640	1,856
	Total	**1,642**	**1,856**
17	**Other current liabilities**		
	Advances from customers	28	32
	Statutory dues payable	255	249
	Unclaimed dividend	5	5
	Total	**288**	**286**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
18 Revenue from operations		
Revenue from Services:		
A. Digital Business Services (DBS)		
(i) International	3,560	3,670
(ii) Domestic	5,970	7,199
B. Human Resource Outsourcing (HRO)		
(i) International	1,617	1,718
(ii) Domestic	7,718	7,546
Total	**18,865**	**20,133**

(i) 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 dissaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(ii) Trade receivables and Unbilled Revenue

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue. Trade receivables and unbilled revenues are presented net of impairment in the Balance Sheet.

The following table provides information about receivables and contract assets from contracts with customers:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Receivables, which are included in 'Trade and other receivables'	3,450	3,344
Unbilled Revenue	1,350	1,052

Unbilled Revenue primarily relate to the company's rights to consideration for work completed but not billed at the reporting date. Unbilled Revenue are transferred to receivables when the rights become unconditional.

(iii) Performance obligations and remaining performance obligations.

The remaining performance obligation disclosure provides the amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. 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 recognises revenue at the amount to which it has the right to invoice for services performed (typically those contracts where invoicing is on time and material basis).

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
19 Other income		
Interest Income		
- on fixed deposits	9	5
- income tax refund	140	-
Net gain arising on Financial Assets not designated as at Fair Value through Profit or Loss	163	182
Profit on redemption of current investments	35	199
Net gain on foreign currency transaction and translation	24	153
Profit on sale of assets	10	2
Miscellaneous income	-	4
Total	**381**	**545**
20 Employee benefits expense		
Salaries, wages and bonus	10,652	11,853
Contribution to provident and other funds	738	652
Staff welfare expenses	297	467
Total	**11,687**	**12,972**
21 Finance costs		
Interest expense		
(i) Interest on finance lease obligations	2	5
(ii) Interest on loans from related parties	-	27
(iii) Increase accrued on lease liabilities	208	137
Others	-	5
Total	**210**	**174**

		Year ended March 31, 2021	Year ended March 31, 2020
22	**Other expenses**		
	Professional and Consultancy Charges	1,281	480
	Travelling and Conveyance	40	234
	Power and Fuel	368	507
	Rent	48	63
	Repairs and maintenance		
	- Machinery	542	425
	- Others	286	372
	Insurance expenses	6	14
	Fees, rates and taxes	4	57
	Sales and marketing expenses	95	65
	Communication charges	42	26
	Connectivity cost	459	414
	Security charges	155	202
	Bank charges	11	13
	Allowance for Expected Credit Losses	48	16
	Bad Receivables Written off	69	12
	Less: Release of allowance for expected credit losses	(69)	(12)
		-	-
	Corporate social responsibility expenditure (Refer note 24)	52	44
	Directors' sitting fees	7	11
	Directors' commission	17	13
	Miscellaneous expenses	41	89
	Total	**3,502**	**3,045**
23	**Details of payment to auditors (included in Professional and Consultancy Charges)**		
	As auditor:		
	Audit fee*^	36	40
	In other capacities:		
	Certification fees*	4	3
	Other services*	-	10
	Re-imbursement of expenses*#	3	2
	Total	**43**	**55**

* excluding taxes

^ Audit fees for the previous year ended 31 March 2020 includes ₹ 7 Lakhs paid to predecessor auditor

Re-imbursement of expenses for the previous year ended 31 March 2020 includes amounts paid to predecssor auditor

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
24	**Corporate social responsibility expenditure**		
	As per section 135 of the Companies Act, 2013, 2% of the average net profit of the last 3 years as computed under Section 198 of the Act, are as follows:		
	Gross amount required to be spent by the Company during the year	52	44
	Amount spent during the year		
	(i) Construction or acquisition of any asset	-	-
	(ii) On purpose other than (i) above	52	44
	Amounts pending to be spent	-	-
	The provisions of Section 135 of the Companies Act, 2013, relating to the mandatory requirement of amount to be spent towards corporate social responsibility is applicable for the Company during the current year based on the criteria applicable. The Company has spent the gross amount towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, health and civic amenities etc.		
25	**Taxation**		
	25.1 Income tax expense		
	25.1.1 Recognised in Statement of Profit and Loss		
	Current Tax:		
	In respect of the current year	557	792
	Adjustments in respect of earlier years	-	55
		557	**847**
	Deferred Tax:		
	In respect of the current year	(26)	26
		(26)	**26**
	Total income tax expense recognised in statement of profit and loss	**531**	**873**
	25.1.2 Recognised in Other Comprehensive Income		
	Deferred Tax		
	Remeasurements of the defined benefit liabilities/ (asset)	12	51
	Total income tax recognised in other comprehensive income	**12**	**51**
	Bifurcation of the income tax recognised in other comprehensive income into:-		
	Items that will not be reclassified to profit or loss	12	51
	Total	**12**	**51**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
25.1.3 Reconciliation of income tax		
The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 29.12%. A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows :		
Profit before tax	2,128	1,818
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax expense	**620**	**529**
Adjustment for non-deductible expenses		
- Provision for impairment of investments in subsidiary	-	354
- Others	15	36
Adjustment for additional deductions under Income Tax Act	(54)	(55)
Deferred Tax Asset relating to business acquisition during the year	-	(54)
Adjustment for Bad debts actually written off during the year	(20)	-
Taxes pertaining to earlier years	-	55
Allowance of expenses disallowed during previous year u/s 40(a)(ia)	(5)	-
Others	(25)	8
Total income tax expense recognised in the statement of profit and loss	**531**	**873**
25.2 Deferred Tax Balances		
The following is the analysis of the net deferred tax asset position as presented in the financial statements		
Deferred tax assets	1,012	1,297
Less: Deferred tax liabilities	46	53
Deferred tax asset (net)	**966**	**1,244**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Movement in the deferred tax balance :

Particulars	For the year ended 31 March 2021				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Compre-hensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	547	-	(17)	-	530
Employee Benefit Expenses	207	-	25	12	244
Provision for Expected Credit Loss on Financial Assets	38	-	(7)	-	31
Impact on account of ROU asset and lease liabilities	16	-	18	-	34
Fair valuation adjustments - Financial Assets	(53)	-	7	-	(46)
MAT credit	489	(316)	-	-	173
Deferred Tax Asset /(Liabilities)	**1,244**	**(316)**	**26**	**12**	**966**

Particulars	For the year ended 31 March 2020				
	Opening Balance	MAT credit utilisation	Recognised in Profit or Loss	Recognised in Other Compre-hensive Income	Closing Balance
Depreciation on Property, Plant and Equipment	560	-	(13)	-	547
Employee Benefit Expenses	163	-	(7)	51	207
Provision for Expected Credit Loss on Financial Assets	6	-	32	-	38
Impact on account of ROU asset and lease liabilities	-	-	16	-	16
Fair valuation adjustments - Financial Assets	1	-	(54)	-	(53)
MAT credit	711	(222)	-	-	489
Deferred Tax Asset /(Liabilities)	**1,441**	**(222)**	**(26)**	**51**	**1,244**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

26 Leases

The Company has leases for Buildings and Computers.

(a) Right of Use Asset "ROU"

The following are the changes in the carrying value of right of use assets for the year ended 31 March 2021:

Particulars	Category of ROU Asset		Total
	Buildings	Computers	
Balance as at 01 April 2019	1,758	-	1,758
Additions	126	687	813
Deletions	-	-	-
Depreciation*	(994)	(19)	(1,013)
Balance as at 31 March 2020	**890**	**668**	**1,558**
Balance as at 01 April 2020	890	668	1,558
Additions	1,428	-	1,428
Deletions	-	-	-
Depreciation*	(1,053)	(222)	(1,275)
Balance as at 31 March 2021	**1,265**	**446**	**1,711**

* The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

(b) Lease Liabilities

The following is the movement in lease liabilities during the year ended:

Particulars	Buildings	Computers	Total
Balance as at 01 April 2019	1,758	-	1,758
Additions	125	687	812
Finance cost accrued during the year	131	5	136
Deletions	-	-	-
Payment of lease liabilities	(1,074)	(21)	(1,095)
Balance as at 31 March 2020	**940**	**671**	**1,611**
Balance as at 01 April 2020	940	671	1,611
Additions	1,428	-	1,428
Finance cost accrued during the year	160	48	208
Deletions	-	-	-
Payment of lease liabilities	(1,165)	(252)	(1,417)
Balance as at 31 March 2021	**1,363**	**467**	**1,830**

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	1,183	592
Non-current lease liabilities	647	1,019

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(c) Amounts recognized in profit and loss were as follows:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation Expenditure	1,275	1,013
Finance Cost on Lease Liabilitities	208	136

(d) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Not later than 1 year	1,289	712
Later than 1 year and not later than 5 years	689	2,209
Later than 5 years	-	-

Note: The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

27 Related party transactions

A. Names of related parties and related party relationships

Relationship*	Name of the related party
Ultimate Holding Company	Quess Corp Limited
Holding Company	Conneqt Business Solutions Limited
Fellow Subsidiaries	Simpliance Technologies Pvt Ltd
	MFX Infotech Private Limited
	Monster.Com (India) Private Limited
	Terrier Security Services (India) Private Limited
	QDigi Services limited
	Heptagon Technologies Private Limited
	Coachieve Solutions Pvt Ltd
	MFXchange US, Inc.
	Quessglobal (Malaysia) Sdn. Bhd.
	Vedang Cellular Services Private Limited
	Golden Star Facilities And Services Private Limited
	Greenpiece Landscapes India Private Limited
	Trimax Smart Infraprojects Private Limited
Related parties where control exists	Allsectech Inc., USA
Subsidiaries (Wholly owned)	Allsectech Manila Inc., Philippines
	Retreat Capital Management Inc., USA (Till 19 February 2021)
Entity in which key managerial personnel have significant influence	Careworks Foundation
Key management personnel	
Chief Executive Officer	Mr. Ashish Johri
Chief Financial officer	Mr. Raghunath P (w.e.f 19 June 2020)
Chief Financial officer	Mr. Nataraj Lakshmipathy (till 18 June 2020)
Company Secretary	Mr. Gagan Preet Singh
Directors	
Chairman of the Board of Directors	Mr. Ajit Abraham Isaac
Independent director	Mr. Sanjay Anandaram
Independent director	Mr. Milind Chalisgaonkar
Independent director	Ms. Lakshmi Sarada R
Non-executive Non-independent director	Mr. Krishna Suraj Moraje
Non-executive Non-independent director	Mr. Subramanian Ramakrishnan (till 31 March 2021)
Non-executive Non-independent director	Mr. Ravi Vishwanath Narayanaswamy (w.e.f 01 April 2021)

* Related Party relationships are as identified by the Management.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
B. Transactions with related parties		
Income from services billed to		
Allsectech Inc., USA	1,265	367
Allsectech Manila Inc., Philippines	117	707
Quess Corp Limited	116	44
Conneqt Business Solutions Limited	35	15
Simpliance Technologies Pvt Ltd	26	12
Monster.Com (India) Private Limited	4	2
Heptagon Technologies Private Limited	-	1
Terrier Security Services (India) Private Limited	1	-
MFX Infotech Private Limited	4	-
MFXchange US, Inc.	522	-
Quessglobal (Malaysia) Sdn. Bhd.	4	-
Qdigi Services Limited	20	-
Purchase of capital goods		
MFX Infotech Private Limited	-	5
Terrier Security Services (India) Private Limited	1	-
Expense incurred for recruitment/professional/consulting/security/ AMC etc		
MFX Infotech Private Limited	190	4
Monster.Com (India) Private Limited	1	2
Simpliance Technologies Pvt Ltd	328	257
Quess Corp Limited	469	165
Terrier Security Services (India) Private Limited	154	110
Quessglobal (Malaysia) Sdn. Bhd.	71	19
QDigi Services limited	-	4
Heptagon Technologies Private Limited	-	5
Conneqt Business Solutions Limited	107	-
Allsectech Manila Inc., Philippines	1	-
Dividend paid to Holding company		
Conneqt Business Solutions Limited	-	396
Consideration paid towards business combination (Refer Note 36)		
Coachieve Solutions Pvt Ltd - HRO Stat Division	-	1,680
Provision for impairment of investment in subsidiary (Refer Note 37)		
Allsectech Inc., USA	-	1,214

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Reimbursement of expenses incurred by the company		
Allsectech Manila Inc., Philippines	-	33
Allsectech Inc., USA	-	7
Repayment of Borrowings (Refer Note 36)		
Quess Corp Limited	-	1,345
Expenses incurred on behalf of and recoverable from		
Quess Corp Limited	-	147
Payments made by holding company on behalf of the company		
Quess Corp Limited	-	15
Payments made towards Corporate Social Responsibility Expense		
Careworks Foundation	52	41
Digital & marketing support service		
Experienzing Consulting Solutions LLP	-	8
Remuneration and other benefits*		
Whole-time director (Jagadish R)	-	85
Chief Executive officer	111	59
Chief Financial Officer	74	57
Company Secretary	25	25
Non-whole-time directors	24	24

* Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
C. Balances with related parties		
Investments in equity instruments of subsidiaries		
Allsectech Inc, USA	1,214	1,214
Allsectech Manila Inc., Philippines	1,020	1,020
Retreat Capital Management Inc., USA	-	1,307
Trade receivables		
Allsectech Inc., USA	168	134
Allsectech Manila Inc., Philippines	-	60
Quess Corp Limited	64	27
Conneqt Business Solutions Limited	13	12
Simpliance Technologies Pvt Ltd	5	16
MFXchange US, Inc.	41	-
Quessglobal (Malaysia) Sdn. Bhd.	1	-
Qdigi Services Limited	3	-
MFX Infotech Private Limited	2	-
Monster.Com (India) Private Limited	1	-
Terrier Security Services (India) Private Limited	1	-
Trade Payable		
Simpliance Technologies Pvt Ltd	29	107
Terrier Security Services (India) Private Limited	-	3
Quess Corp Limited	24	65
Quessglobal (Malaysia) Sdn. Bhd.	-	2
QDigi Services limited	-	2
Conneqt Business Solutions Limited	6	-
Heptagon Technologies Private Limited	20	-
MFX Infotech Private Limited	6	-
Salaries payable to KMP	15	14
Directors' commission payable	17	13
Other financial assets		
Quess Corp Limited	18	147
Allsectech Inc.	9	3
MFXchange US, Inc.	41	-
Quessglobal (Malaysia) Sdn. Bhd.	1	-
Simpliance Technologies Pvt Ltd	2	-
QDigi Services limited	1	-
Provision for expenses		
Conneqt Business Solutions Limited	38	-
MFX Infotech Private Limited	12	-
Quessglobal (Malaysia) Sdn. Bhd.	4	19
Quess Corp Limited	36	30
Terrier Security Services India Pvt Ltd	15	19

Particulars	As at March 31, 2021	As at March 31, 2020
The details of the maximum amount outstanding for the year ended 31 March 2021 are as follows:		
Investments made in subsidiaries		
Allsectech Inc, USA	1,214	1,214
Allsectech Manila Inc., Philippines	1,020	1,020
Retreat Capital Management Inc., USA	-	1,307

Notes:

(i) The Company accounts for costs incurred by / on behalf of the Related Parties based on the actual invoices / debit notes raised and accruals as confirmed by such related parties. The Related Parties have confirmed to the Management that as at 31 March 2021, there are no further amounts payable to / receivable from them, other than as disclosed above. The Company incurs certain costs on behalf of other companies in the group. These costs have been allocated/recovered from the group companies on a basis mutually agreed to with the group companies.

(ii) Remuneration and other benefits pertain to short term employee benefits. As the gratuity and compensated absences are determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

(iii) The remuneration payable to key management personnel is determined by the nomination and remuneration committee having regard to the performance of individuals and market trends.

(iv) All transactions with these related parties are priced at arm's length basis. The amounts outstanding are unsecured and will be settled in cash. There have been no instances of amounts due to or due from related parties that have been written back or written off or otherwise provided for during the year.

28 Earnings per equity share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit after tax considered as numerator for calculating basic and diluted earnings per share	1,597	945
Weighted average number of equity shares for the purpose of calculating Basic & Diluted EPS	1,52,38,326	1,52,38,326
Nominal value of equity shares (in ₹)	10	10
Basic EPS (in ₹)	10.48	6.20
Diluted EPS (in ₹)	10.48	6.20

29 Contingent liabilities and commitments

(a) Contingent liabilities

Claims against the company not acknowledged as debt

The Company received a demand from the Tamil Nadu Electricity Board for an amount of ₹ 109 lakhs in January 2008 relating to reclassification disputes on the tariff category applicable to the Company in two of its delivery centers with retrospective effect from 2005. The Company has obtained an interim stay order from the Hon'ble High Court of Madras against this claim. The Company considers the claim to be erroneous and as not payable under the specified tariff category applicable to ITES units.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(b) Commitments		
Capital commitments that are not cancellable - Estimated amount of capital contracts remaining to be executed	3	189

30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars*	2020-2021	2019-2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	2	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

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

31 Employee Benefits

(a) Defined Contribution plans

The Company makes Provident and Pension Fund contributions, which is a defined contribution plan, for qualifying employees. Additionally, the Company also provides, for covered employees, health insurance through the Employee State Insurance scheme. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Expenses recognised :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Included under 'Contributions to Provident and other Funds'		
Contributions to Employee state insurance	165	160
Contributions to provident funds	484	474

(b) Defined Benefit Plans:

The Company offers 'Gratuity' (Refer Note 20 Employees Benefits Expense) as a post employment benefit for qualifying employees and operates a gratuity plan. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company's obligation towards its gratuity liability is a defined benefit plan.

Description of Risk Exposures

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A) **Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

B) **Investment Risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

C) **Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

D) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

E) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts.This may arise due to non availabilty of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

In respect of the plan, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at 31 March 2021. The present value of the defined benefit obligation, and the related current service cost and paid service cost, were measured using the projected unit cost credit method.

The following table sets out the funded status of the Gratuity Plan and the amounts recognized in the financial statement :

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Changes in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	**690**	**544**
Interest cost	39	32
Current service cost	61	61
Past service cost	-	-
Benefits paid	(56)	(99)
Actuarial loss	44	151
Present value of defined benefit obligation at the end of the year	**778**	**690**
Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the year	**181**	**162**
Expected return	11	11
Contributions by the Company	81	104
Benefits paid and charges deducted	(66)	(99)
Actuarial gains	3	2
Fair value of plan assets at the end of the year	**210**	**181**
Net defined benefit obligation (deficit)	**568**	**509**
Current	**60**	**60**
Non-current	**508**	**449**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount recognised in profit or loss		
Current service cost	61	61
Past service cost	-	-
Interest cost	39	32
Expected return on planned assets	(11)	(11)
Provision for gratuity acquired as part of Business combination	-	(64)
Total amount recognised in profit or loss	**89**	**18**
Amount recognised in other comprehensive income		
Remeasurement due to changes in actuarial assumptions	41	149
Total amount recognised in other comprehensive income	**41**	**149**
Significant actuarial assumptions		
a) Discount rate and expected return on plan assets	5.64%	5.94%
b) Long-term rate of compensation increase	5.00%	5.00%
c) Attrition rate		
- employees with service upto 5 years as at valuation date	39.00%	39.00%
- employees with service more than 5 years as at valuation date	1.50%	1.50%

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Sensitivity analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. It is assumed that the active members of the scheme will experience in service mortality in accordance with the Indian Assured Lives Mortality (2012-14) Ultimate Table. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Particulars	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2021						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	5	(6)	(84)	100	94	(83)
31 March 2020						
> Sensitivity Level	1%	-1%	1%	-1%	1%	-1%
> Impact on defined benefit obligation	7	(9)	(76)	91	85	(75)

Other information

Expected contribution to post-employment benefit plans for the year ending 31 March 2022 is ₹ 60 lakhs. The weighted average duration of the defined benefit obligation is 12.70 years (31 March 2020: 13 years).

The expected benefit payments for the 10 years after balance sheet date is as follows:

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	5-10 years	Total
31 March 2021					
Defined benefit obligation	26	41	171	178	416
31 March 2020					
Defined benefit obligation	20	29	161	185	395

(c) Compensated Absences

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Included under 'Salaries and Bonus'	41	46

Particulars	As at March 31, 2021	As at March 31, 2020
(b) Net asset / (liability) recognised in the Balance Sheet	209	202
Current portion of the above	209	202
Non - current portion of the above	-	-

The Key Assumptions used in the computation of provision for compensated absences are as given below:

Particulars	2020 -2021	2019 -2020
Discount Rate (% p.a)	5.64%	5.94%
Future Salary Increase (% p.a)	5.00%	5.00%

32 Financial Instruments

32.1 Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Other Financial Liabilities net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

Particulars	As at March 31, 2021	As at March 31, 2020
Borrowings	16	40
Cash and Bank Balance	(3,876)	(3,846)
Net Debt over and above the cash and bank balances (A)	-	-
Total Equity (B)	**15,629**	**14,061**
Net Debt to equity ratio (A/B)	**- %**	**- %**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

32.2 Categories of Financial Instruments

The carrying value of the financial instruments by categories as on 31 March 2020 and 31 March 2019 is as follows:

Particulars	Carrying Value		Fair Value	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
(a) Financial Assets				
Measured at cost				
Investment in subsidiaries	1,020	1,020	1,020	1,020
Measured at fair value through P&L				
Current Investments	4,971	3,339	4,971	3,339
- Other financial assets	-	-	-	-
Measured at amortised cost				
- Cash and Bank balances	3,737	3,711	3,737	3,711
- Other Bank balances	139	135	139	135
- Trade receivables	3,450	3,344	3,450	3,344
- Other financial assets	2,007	1,752	2,007	1,752
	15,324	**13,301**	**15,324**	**13,301**
(b) Financial Liabilities :				
Measured at fair value through P&L				
- Other financial liabilities	-	81	-	81
Measured at amortised cost				
- Borrowings	1	18	1	18
- Trade Payables	1,642	1,856	1,642	1,856
- Lease Liabilities	1,830	1,611	1,830	1,611
- Other financial liabilities	15	22	15	22
	3,488	**3,588**	**3,488**	**3,588**

'The management assessed that fair value of cash and cash equivalents, trade receivables, loans, borrowings, 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.

The following methods and assumptions were used to estimate the fair value/amortized cost

1) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual losses and creditworthiness of the receivables.

2) The fair value of unquoted instruments, loans from banks and other financial liabilities, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt

on similar terms, credit risk and remaining maturities. In addition to being sensitive to a reasonably possible change in the forecast cash flows or discount rate, the fair value of the unquoted instruments is also sensitive to a reasonably possible change in the growth rates. The valuation requires management to use unobservable inputs in the model, of which the significant unobservable inputs are disclosed in the tables below. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

3) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2021 was assessed to be insignificant.

Fair Value Hierarchy

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

There were no items of financial assets or financial liabilities which were valued at fair value as of 31 March 2021 and 31 March 2020.

32.3 Financial Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. The Company's activities expose it to a variety of financial risks: liquidity risk, credit risk and market risk (including interest rate risk and other price risk). The Company's primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

(a) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot 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, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation. The Company maintains adequate reserves and banking facilities, and continuously monitors the forecast and actual cash flows by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company periodically. The Company believes that the working capital (including banking limits not utilised) and its cash and cash equivalent are sufficient to meet its short and medium term requirements.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2021				
Interest bearing*	1,198	648	-	1,846
Non-interest bearing	1,642	-	-	1,642
Total	**2,840**	**648**	**-**	**3,488**
31 March 2020				
Interest bearing	614	1,037	-	1,651
Non-interest bearing	1,937	-	-	1,937
Total	**2,551**	**1,037**	**-**	**3,588**

* Includes Lease liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

Particulars	Less than 1 year	1 to 5 years	5 years and above	Total
31 March 2021				
Interest bearing	139	-	-	139
Non-interest bearing	13,569	596	1,020	15,185
Total	**13,708**	**596**	**1,020**	**15,324**
31 March 2020				
Interest bearing	135	-	-	135
Non-interest bearing	11,672	474	1,020	13,166
Total	**11,807**	**474**	**1,020**	**13,301**

(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 encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the other financial instruments of the Company result in material concentration of credit risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

Trade receivables: The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and credit history, also has an influence on credit risk assessment.

Credit risk on current investments, cash & cash equivalent and derivatives is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in fixed deposits.

(c) Market Risk :

Market risk is the risk of loss of any future earnings, in realizable fair values or in future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk and the market value of its investments. Thus, the Company's exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currencies.

(c.1) Interest rate risk:

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

The Company's management monitors the interest fluctuations, if any, and accordingly, take necessary steps to mitigate any interest rate risk.

Interest rate sensitivity analysis

Borrowings that existed as at 31 March 2020 are at fixed interest rates and hence the Company is not exposed to changes in market interest rates.

(c.2) Foreign Currency Risk Management :

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises.

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

Particulars	Currency	As at 31 March 2021	As at 31 March 2020
		Amount ₹ In lakhs	Amount ₹ In lakhs
Financial Assets (comprising of trade receivables, cash & bank balances and unbilled revenue)	USD	2,995	3,195
Financial Assets (Trade Receivables & Unbilled Revenue)	SGD	6	-
Trade Payables	EURO	-	1
Trade Payables	RM	4	2

Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 10% increase and decrease in ₹ against the relevant foreign currencies. 10% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Impact on Profit and loss for the reporting period

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2020
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	300	300	319	319
SGD	1	1	-	-

Impact on total equity as at end of the reporting period

Particulars	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	Increase by 10%	Decrease by 10%	Increase by 10%	Decrease by 10%
USD	300	300	319	319
SGD	1	1	-	-

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

32.4 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

32.5 Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

33 Fair value measurement

Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis

Some of the financial assets and financial liabilities are measured at end of the each reporting period. The following table gives information about how the fair value of these financial assets and liabilities are considered:

Financial Assets/ Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Value Techniques and Key Inputs
	31-Mar-21	31-Mar-20		
Investments in Mutual Funds	4,971	3,339	Level 1	Quoted Net Asset Value in Active Markets
Foreign Currency Forward contracts	51	(81)	Level 2	Refer below

There have been no transfers between Level 1 and Level 2 for the year ended 31 March 2021 and 31 March 2020.

Measurement of fair value of financial instruments

Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information. The finance team reports directly to the chief financial officer (CFO) and to the audit committee. Valuation processes and fair value changes are discussed among the audit committee and the valuation team at least every year, in line with the Company's reporting dates.

The valuation techniques used for instruments categorised in Levels 1, 2 and 3 are described below:

Investments in mutual fund units (Level 1)

The mutual funds are valued using the closing NAV.

Foreign exchange forward contracts (Level 2)

The Company's foreign currency forward contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Investments in equity instruments of other companies (Level 3)

These investments are not traded in active markets, and management considers the cost of investments to approximate the fair value.

Financial instruments measured at amortised cost for which the fair value is disclosed

The carrying amount of all financial instruments measured at amortised cost are considered to be a reasonable approximation of the fair value.

Fair value measurement of non-financial assets

There are no non-financial assets that were measured at fair value on the reporting dates.

34 Capital management policies and procedures

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

35 Dividend

Interim Dividend of ₹ 15 per share on the equity share (150% of par value of ₹ 10 each) has been approved by the Board of Directors in its board meeting held on 29 April 2021 and will be paid during the financial year 2021-22.

36 Business combination

During the previous year, the Company acquired on a slump sale basis with effect from 30 September 2019 ,the assets and liabilities of HR Compliance business of Coachive Solutions Private Limited ('CSPL'), a subsidiary of Quess Corp Limited for a purchase consideration of ₹ 1,680 lakhs against the net liability of ₹ 746 lakhs (including inter-company loans). The Company accounted for the business combination in accordance with the requirements of Appendix C of Ind AS 103 'Business Combinations' which lays down the principles inrespect of accounting for business combinations of entities or businesses under common control. As required by the Standard, pooling of interests method has been considered for common control business combination and accordingly, the assets and liabilities are reflected in the books of the Company at their respective carrying amounts and an adjustment of ₹ 2,426 lakhs (debit) has been made to the capital reserve of the Company.

37 Provision for Impairment of investment in subsidiary

During the previous year ended 31 March 2020, the Company's subsidiary Allsectech Inc., USA incurred material losses due to non-renewal of a significant customer contract. In addition the subsidiary had accumulated losses primarily on account of the settlement of class action suits in the previous financial year. Accordingly, in line with the Company's policy the investment was tested by the management for impairment. The Company assessed the expected revenues, profitability, cash flows as also the business outlook for the financial year 2020-21 and beyond for the test of impairment. Based on such assessment, the Company concluded that the carrying value of the investments in this subsidiary would be impaired to the extent of the entire carrying value of ₹ 1,214 lakhs. Consequently, the Company has impaired the value of investments in Allsectech Inc, USA as at 31 March 2020 amounting to ₹ 1,214 lakhs and disclosed the same as exceptional item in Statement of Profit or Loss for the year ended 31 March 2020. During the current year, the management has performed an assessment of the impairment and considering the profitability, cash flows and business outlook, continued to retain the impairment provision.

Also, the provision for impairment of investment in Retreat Capital Management Inc., USA has been actually written off during the current year.

38 Note on COVID 19 assessment

In assessing the recoverability of receivables including unbilled receivables, intangible assets, and certain investments in the context of prevailing economic conditions on account of COVID-19, the Company has considered internal and external information up to the date of approval of these audited financial statements including credit reports and economic forecasts. Based on this analysis, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

39 Approval of Financial Statements

In connection with the preparation of the standalone financial statements for the year ended 31 March 2021, the Board of Directors have confirmed the propriety of the contracts / agreements entered into by / on behalf of the Company and the resultant revenue earned / expenses incurred arising out of the same after reviewing the levels of authorisation and the available documentary evidences and the overall control environment. Further, the Board of Directors have also reviewed the realizable value of all the current assets of the Company and have confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognised in the standalone financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 26 May 2021 in accordance with the provisions of Companies Act, 2013.

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

C Manish Muralidhar
Partner
Place: Hyderabad
Date: May 26, 2021

For and on behalf of the Board of Directors of
Allsec Technologies Limited

Ajit Abraham Isaac
Chairman
Place: Bengaluru

Krishna Suraj Moraje
Director
Place: Bengaluru

Ashish Johri
Chief Executive Officer
Place: Chennai
Date: May 26, 2021

Raghunath P
Chief Financial Officer
Place: Chennai

Gagan Preet Singh
Company Secretary
Place: Chennai