



27TH | Annual Report 2021-2022

Infrasoft Technologies Limited

CORPORATE INFORMATION

Board of Directors

Rahul Bhasin	-	Chairman
Rajesh Mirjankar	-	Managing Director & Chief Executive Officer
Rashmi Agarwal	-	Director
Milind Chalisgaonkar	-	Independent Director
Rangan Mohan	-	Independent Director
Debanshi Basu	-	Director
Mitali Chitre	-	Director

Kankesh Kamath - Chief Financial Officer

Meet Bhagat - Company Secretary

Registered Office - Unit No. 86 & 87, 1st Floor, SDF III, SEEPZ SEZ
Andheri (East), Mumbai – 400096
Tel No.: +91 22 6776 4000
Email: compliance@kiya.ai
URL: www.kiya.ai
CIN: U72900MH1995PLC135094

Corporate Office - Floor 7, Building 9, Gigaplex, Airoli West
Navi Mumbai – 400708
Tel: +91 22 6101 2200

Bankers - HSBC Bank
ICICI Bank

Auditors - M/s. BSR & Co. LLP
Chartered Accountants
14th Floor, Central B Wing and North C Wing
Nesco IT Park 4, W. E. Highway
Goregaon (East)
Mumbai - 400063

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DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company and the audited standalone and consolidated financial statements of your company for the year ended March 31, 2022.

1. Financial Highlights

The Company grew steadily at over 10.2% on Y-o-Y revenues and improved the contribution of the Digital and Product business at 67% of the total operational revenue of Rs. 367.34 Cr.

Amount in ₹ Crores

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Income (Including other income)	291.66	251.97	368.69	334.52
Expenses (Including exceptional items)	218.19	207.07	288.03	278.70
Profit before Interest, Depreciation and Tax (PBIDTA)	73.47	44.90	80.65	55.82
Depreciation & Amortization	3.52	3.29	3.61	3.39
Net Profit Before Tax	69.95	41.61	77.04	52.43
Provision for Tax including Deferred Tax	16.16	13.07	17.31	14.18
Net Profit after Tax	53.79	28.55	59.73	38.25
EPS				
Basic (₹ Per Share)	70.39	37.35	78.17	50.06
Diluted (₹ per Share)	70.27	37.29	78.04	49.97

On consolidated basis, for FY 2021-22 your Company's revenue stood at ₹ 368.69 Cr. and PBIDTA ₹ 80.65 Cr. as compared to ₹ 334.52 Cr. and EBIDTA ₹ 55.82 Cr. for FY 2020-21 respectively.

2. Trends in the Market

The key trends in Banks led by the adoption of digital technology have been:

- Banking in Metaverse
- Banking as a Service (BaaS)
- Low code/no code
- Voice programming

- Accelerated Cloud Transformation
- AI & ML for Enhanced Customer Experience and Loyalty
- Banks will apply generative AI in growth areas such as fraud detection, trading prediction and risk factor modelling.
- Autonomic systems exist in a basic form as roboadvisors, but more advanced forms will emerge.
- 60% of large organizations will use one or more privacy-enhancing computation techniques by 2025.
- Cyber-security & Digital Identity

3. Offerings

Your company's business has gradually become more product-driven and there is significant growth in our Cloud-based revenues and Annuity revenues. Kiya.ai sales have grown significantly over the last 4 years at a CAGR of over 59%. With the larger growth of the company in its products business, we have seen the emergence of each of its products in Core Banking, Compliance & RegTech, Digital Origination and Payments building its distinct market positioning and leadership status.

The context for Re-branding & Brand Re-structuring:

The company has gone through a rebranding and brand restructuring process in Jan 2022. We changed the corporate brand from *Infrasofttech* to *Kiya.ai* in line with its strategic plans to expand its horizons in the field of artificial intelligence, metaverse and quantum computing. The company also unveiled a new, refreshed visual identity with a new logo to celebrate its legacy and further its long-term growth objective.

Over the last few years with multiple product offerings and regional expansions, the need for restructuring the entire brand architecture of the company was realised by looking at the length & breadth of the products and services offered under each business line, the relationship between sub-brands (earlier Kiya.ai, Univius & Finairo) and how they interacted with one another. As the organization is growing and appealing to different audiences through different product lines, customised solutions, and stack offerings, defining and categorising products under individual sub-brands were creating ambiguity to intuitively link them with the right audience. So, after carefully analysing all the parameters, we found 'Branded House' as the most suited brand architecture for Kiya.ai's wide offerings. It provides the ability to uniquely pair our products with the right target audiences under one name. It will also help in positioning our organization for healthy marketing and healthy growth.

- **Kiya.ai AI-based Omnichannel & Open Finance Solutions**

Accelerating Digitisation with AI & Cognitive Computing Internet Banking Solution

Kiya.ai Omnichannel and Open Finance Platform provides - Banking as a service (BaaS), assisting banks to improve their digital footprint by offering cutting-edge digital products, and publishing APIs that seamlessly integrate with existing back-office systems. Our API Management solution is a scalable platform for securing, publishing and analysing APIs. It is a comprehensive solution including support for consent management, complete data aggregation and enrichment services. All these come with advanced security features like OAuth2.0.

It leverages innovative technologies such as AI, ML, and RPA the platform enables banks to deliver an Omnichannel and Hyper-personalized banking experience across various customer channels and touchpoints.

- Banking in the Metaverse
- Open Finance (API Management)
- Digital Onboarding Solution Video KYC
- Omnichannel Banking (Mobile & Desktop)
- Instant Fund Transfer and UPI
- Mobile Wallet
- Augmented & Mixed Reality UI
- Bots & RPA
- Digital Branch Banking
- Virtual Assistants (Kiya Humanoid)
- EFT Switch
- Kiosk Banking

- **Kiya.ai Universal RegTech Solution**

Enhanced Risk Management & Regulatory Compliance

Kiya.ai's Universal Regtech Solution is a robust and secure framework enabling banks to align with the continuously evolving regulatory landscape. Driven by AI, ML, and RPA, Universal Regtech Solution helps banks in financial crime surveillance, prevention, and regulatory compliance. We assist banks and financial institutions to keep up with evolving regulatory demands, integrating seamlessly with their systems to provide a faster, reliable, and secure solution to address their compliance needs.

- Anti-Money Laundering Solution
- Risk Screening

- Anti-Fraud Solution
 - Governance Risk & Compliance Solution
 - GDPR
 - FATCA CRS
 - Central Credit Register (CCR)
 - Beneficial Ownership Reporting
 - Country By Country Reporting (CBCR)
 - Centralized Financial Surveillance & Compliance
- **Kiya.ai Digital Core Banking & Lending Solutions**

Driving your Digital Banking Experience

Kiya.ai's Digital Core Banking Solution is a robust, secure, and cloud-native solution that enables banks to keep up with the changing industry landscape. A highly parameterised and scalable solution enables an open product basket platform where new products can be created without usually writing code. We provide consolidation and centralisation of the bank's various branches onto a single platform, resulting in streamlined operations, increased operational efficiency, and enhanced service delivery. Kiya.ai's Digital Core Banking Solution uses AI, ML & Bots to help banks to provide contextual services and nuanced offerings to their varied customer segments.

- SaaS-based Digital Core Banking
 - Digital Lending Management
 - Universal Banking
 - Loan Origination
 - Loan Collection
 - NBFC Solution
 - Microfinance
 - Agency Banking
 - Islamic Banking
- **Kiya.ai Digital Engineering Services**

High Agility with Intelligent Automation

The Digital Engineering Services segment empowers businesses to strategize, build, and leverage evolving technologies to navigate through digital transformation and create market-ready solutions. The next-gen digital navigation framework enables businesses to enhance their core digital capabilities and transform customer experiences and operating models. The Digital Engineering Services deploys cutting-edge technologies such as AI, RPA, Analytics, and Immersive UI to drive digital enablement and execution excellence.

With expert consultation, we help banks & FI's to re-strategize their business approach in embracing the latest innovations in the fintech space to gain a competitive edge and drive business excellence.

- Consulting Services
 - Cognitive Analytics
 - Data Analytics
 - Mobile-first / Machine-first enablement
 - Data Migration and Integration
 - Channel Mobilisation
 - Robotised Testing
 - Application Modernization
- **Kiya.ai AI-based Analytics Solutions**

Make the Right Decisions, Faster

Kiya.ai's Analytics Solution offers actionable intelligence by unifying the views from Open Finance Platform, Digital Core Banking and RegTech solutions (across CBS, Trade Finance, Risk Management, and Alternate Digital Channels) in modern data lake approach powered by BI tools and state-of-the-art ML & AI modules. Subject-oriented data marts to arm the bank's Marketing, Sales, Operations, Credit Risk, Collections, Treasury, and Finance functions. Banks get empowered to make real-time decisions using the slice and dice, roll-up, and drill-down options round the clock across digital channels and devices securely. Seamless data discovery gives a competitive advantage to banks to stay ahead of the competition by making intelligent and fact-based decisions.

- Product Features
- Early Warning System
- ML-based Credit Risk decisioning
- API-based Early Warning system across retail and corporate customers
- Predicting Lifetime Value of Customers
- Lead Funnel Analysis
- Product Mix analysis
- Customer Segmentation
- Real-time Offers Management
- Churn Analytics
- Social Media Analytics
- Cross sell and Upsell

4. Marketing and Relationship Initiatives and Market Share Improvements

Industry Events and Conferences: Company participation at global events specific to the Financial Services sector. Our endeavour is to promote our thought leadership in Digital and RegTech solutions. Some of the events where the Company participated are as under:

#	Event Name	Organizer	Date	Location	Region
1	Payments & Lending Conference 2022	IBS Intelligence	24-Mar-22	Physical	India
2	Digital India Summit 2022	Times Network	19-20 Feb 2022	Hybrid	India
3	ET Now Best Brands 2021	The Economic Times	21-Dec-21	Physical	India
4	BFSI Insight Summit 2021	Business Standard	29-Oct-21	Virtual	India
5	Cedar IBSI Fintech Lab - Webinar Series	IBS Intelligence	28-Oct-21	Virtual	India
6	National Cooperative Banking Summit & Awards 2021 (NCBS)	Banking Frontiers	22-23 Oct 2022	Physical	India
7	5th All India Urban Cooperative Banking Summit 2021	B2B Infomedia	04-Jun-22	Virtual	India

5. Awards and Recognition

The Company received several industry awards for its innovative solutions and best practices. Some of the awards & recognitions won during the year were:

- **IBSI Sales League Table 2022**
 - Ranked #1 Globally for Compliance Management Category for Kiya.ai AML for the Third Successive Year
 - Ranked #1 Overall Market Leader in India for the Fifth Consecutive Year
 - Ranked #1 Regional Leader - APAC
 - Ranked #1 Regional Leader - MEA
 - Ranked #3 on the Global Leadership Table for Product Breadth
 - Featured in the IBSI SLT Leaderboard for Risk & Compliance Management
- **Best Fintech Disruptor** at the **India Trade Review Awards 2021** organised by QNA
- **'ET Best Brands 2021'** in a Fintech Category for Kiya.ai AI-based Omnichannel & Open Finance Solution by The Economic Times, this is the second time in a row
- Kiya.ai RiskTech Solution featured in the Chartis RiskTech100 2021, consistently since 2019

6. Human Resource Management and adoption and implementation of Policy against Sexual Harassment against Women at Workplace:

Your Company has a policy on Prohibition/ Prevention of Sexual Harassment of Women at workplace and matters connected therewith or incidental covering thereto all the aspects as contained in "The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act and Rules, 2013". Your company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year, the Company did not receive any complaints under the said Act. Your Company has not witnessed any incident of Sexual Harassment of Women during the financial year 2021-22. Your Company has appointed a woman representative on the Panel and the said representative is qualified, neutral and eligible to be appointed as a member of the panel in compliance with the provisions of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act and Rules, 2013.

7. Amount carried to Reserves

Pursuant to the provisions of clause (j) of sub-section (3) of Section 134 of the Companies Act, 2013, based on the financial results of the company during the financial year 2021-22, the Board of Directors have not proposed transfer of any amount to Reserves.

8. Dividend

The following are the details of dividend/(s) paid by the Company:

Particulars	FY 2021-2022	FY 2020-2021
Interim Dividend	20	20
Final Dividend	-	10
Total Dividend	20	30

9. Board of Directors & Committees - Composition and Meetings

Ms. Mitali Chitre was appointed as Additional Director at the Board Meeting held on February 19, 2021 and her appointment was regularized by the members at the Annual General Meeting of the Company held on November 30, 2021. Ms. Debanshi Basu (DIN: 07135074 retires by rotation and being eligible seeks re-appointment.

A. Board of Directors

I. Composition

Pursuant to provisions of Section 149 of Companies Act, 2013, the composition of the Board of Directors of the Company is as under:

Sr. No.	Name	DIN	Designation
1.	Mr. Rahul Bhasin	00236867	Non-Executive Director
2.	Ms. Rashmi Agarwal	00067241	Non-Executive Director
3.	Mr. Rajesh Mirjankar	03594206	Managing Director & CEO
4.	Mr. Milind Chalisgaonkar	00057579	Independent Director
5.	Mr. Rangan Mohan	01116821	Independent Director
6.	Ms. Debanshi Basu	07135074	Non-Executive Director
7.	Ms. Mitali Chitre	09040978	Non-Executive Director

Company has received declarations from the Independent Directors in terms with provisions of sub-section (6) of Section 149 of the Companies Act, 2013.

II. Details of Meetings

During the year under review, 5 (Five) meetings of Board of Directors were held, the details whereof are as under:

Sr. No.	Date	No. of Directors Present
1.	26.05.2021	7 (Seven)
2.	11.06.2021	7 (Seven)
3.	08.10.2021	6 (Six)
4.	14.10.2021	7 (Seven)
5.	08.02.2021	6 (Six)

B. Audit Committee

I. Composition

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the composition of the Audit Committee of the Company is as under:

Sr. No.	Name of Committee member	Designation
1	Mr. Rangan Mohan	Chairman
2	Ms. Rashmi Agarwal	Member
3	Mr. Milind Chalisgaonkar	Member

II. Details of Meetings

During the year under review, 4 (Four) Audit Committee meetings were held, the details whereof are as under:

Sr. No.	Date of Meeting	Members Present
1	11.06.2021	3 (Three)
2	08.10.2021	2 (Two)
3	14.10.2021	2 (Two)
4	08.02.2022	2 (Two)

C. Nomination and Remuneration Committee

I. Composition

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the composition of the Nomination and Remuneration Committee of the Company is as under:

Sr. No.	Name of Committee member	Designation
1	Mr. Rangan Mohan	Chairman
2	Ms. Rashmi Agarwal	Member
3	Mr. Milind Chalisgaonkar	Member

II. Details of Meetings

During the year under review, 1 (One) Nomination and Remuneration Committee meeting was held, the details whereof is as under:

Sr. No.	Date of Meeting	Members Present
1	01.09.2021	3 (Three)

D. Corporate Social Responsibility Committee

I. Composition

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the composition of the Corporate Social Responsibility Committee of the Company is as under:

Sr. No.	Name of Committee member	Designation
1.	Mr. Rangan Mohan	Chairman
2.	Mr. Rajesh Mirjankar	Member
3.	Mr. Milind Chalisgaonkar	Member

During the year under review, 2 (Two) Corporate Social Responsibility Committee meetings were held, the details whereof are as under:

Sr. No.	Date of Meeting	Members Present
1	14.10.2021	3 (Three)
2	03.02.2022	3 (Three)

10. Change in the nature of business, if any

There has been no change in the principal nature of business of the Company that will affect the financial position of the Company.

11. Material changes and commitments:

Pursuant to the provisions of clause (l) of sub-section (3) of Section 134, your directors hereby state that the Company has not made any Material Change(s) in the Company's Accounting or Business Policy(ies) affecting the financial position of the Company. However, none of the accounting treatments, or aspects undertaken have any effect nor the same is affecting the financial position of the company which have occurred between the end of the previous financial year of the company to which the financial statements relate and the date of the report. The shareholders are requested to take note of the relevant paragraphs of the Auditors Report for the period under review.

12. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

Your Directors confirm that Regulators or Courts or Tribunals have not passed any adverse statutory orders against the Company or its Directors for its conduct of management of the affairs of business, anywhere in India or abroad.

13. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. The systems have been designed to provide reasonable assurance regarding recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance of corporate policies.

Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure processes for formulating and reviewing annual and long-term business plans have been laid down.

In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as accounting and finance, procurement, employee engagement, travel, insurance, IT processes.

Company has an audit committee which reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

14. Details of Subsidiary and its financial positions:

The Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed Form AOC-1 relating to Subsidiary Companies are separately provided under Annexure 1 to this Report.

15. Deposits and Fixed Deposits

Pursuant to the provisions of Section 73 (Chapter V Acceptance of Deposits by Companies) of the Companies Act, 2013, during the financial year under review, your Directors hereby confirm that your Company has not accepted any Deposits as per the Act read with the Companies (Acceptance of Deposits) Rules, 1975. Also, your Directors hereby confirm that your Company has not accepted any such Deposits in the previous years as well and hence no amount of Principal or Interest thereon is outstanding at the end of the Financial Year 2021-22.

16. Statutory Auditors

Pursuant to the provisions of Section 139 (1) of the Companies Act, 2013, M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors in the 24th Annual General Meeting for conducting Statutory Audit of the Company from the Financial Year 2019-20 to 2023-24, for a period of 5 years.

17. Internal Audit

Pursuant to provisions of Section 138 of the Companies Act, 2013, M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai is appointed as Internal Auditors of the Company for the Financial Year 2021-22.

18. Auditors' Report

Your Directors hereby confirm that observations, remarks and notes have been enumerated in the Report of the Statutory Auditors and the same is annexed herewith as required and is Self-Explanatory.

Pursuant to the provisions of clause (f) of sub-section (3) of Section 134 of the Companies Act, 2013, the management of the Company is not required to provide any response as there are no adverse Remark/qualification made by the statutory auditors in their report.

19. Share Capital

Your Directors hereby confirm that the Company has not issued any fresh equity shares during the year as per the provisions of Companies (Share Capital and Debentures) Rules, 2014.

20. Stock Options

During the year under review your Company has not issued fresh ESOPs. The Status of the ESOPs issued by the Company as on March 31, 2022 are as follows:

Particulars	31 March 2022	31 March 2021
Outstanding at the beginning of the year	96,500	96,500
Granted	-	-
Exercised	-	-
Forfeited	-	-
Lapsed	-	-
Outstanding at the end of the year	96,500	96,500
Exercise at the end of the year	-	-

The Complete disclosure is provided under Notes to Accounts at Sr. No. 27 annexed to the Auditors' Report.

21. Extract of the Annual Return-MGT-9

The extract of Annual Return as on March 31, 2022 is separately attached to the Directors Report as an Annexure 2 – MGT-9.

22. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

In accordance with the provisions of sub-section (3)(m) of section 134 of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014 your Directors hereby confirm the details of the Conservation of energy, technology absorption and foreign exchange earnings and outgo as given below:

A) Conservation of energy:

- (i) the steps taken or impact on conservation of energy;

Company continuously endeavours to optimally utilize the energy resources. The administration team keeps a check on utilization of power and other resources of the Company so to avoid unnecessary wastage.

- (ii) the steps taken by the company for utilising alternate sources of energy;

As the Company utilizes conventional modes of energy at its offices there has not been any alternate source of energy being implemented. However, the company strives to attain optimum use of the resources for its business operations without unnecessary loss.

- (iii) the capital investment on energy conservation equipment;

Company has not incurred any fresh capital investment on energy conservation equipment.

B) Technology absorption:

- (i) the efforts made towards technology absorption; - *Not Applicable*
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - *Not Applicable*

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - *Not Applicable*
- (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development - *Not Applicable*

C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ in Crores)

Particulars	2021-22	2020-21
Foreign Exchange Earnings	113.24	60.85
Foreign Exchange Expenditure	13.82	11.57
Net Foreign Exchange Earnings (NFE)	99.42	49.28
NFE/Earnings	87.80%	80.98%

23. Corporate Social Responsibility (CSR)

As per provisions of Section 134 (3) read with Section 135 (2) of Companies Act, 2013 and Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 your Directors hereby confirm that the Company has devised a requisite CSR Policy and formed a Committee, the details whereof are separately attached to this Directors Report as Annexure 3, termed as CSR Report.

The members of CSR Committee through company executives held meetings and discussions with CSR Partners to actively support and channelize the activities / projects / programs to be undertaken by the Company in line with its CSR Policy.

During the year under review your Company contributed an amount of ₹ 1,00,00,000/- (Rupees One Crore only) towards CSR activities in favour of three NGOs namely i.) *Goonj* (Rs. 29 Lakhs) ii.) *AIC-MIT ADT Incubator Forum* (Rs. 35 Lakhs) and iii.) *ARMMAN* (Rs. 36 Lakhs).

24. Particulars of loans, guarantees or investments under section 186:

Pursuant to the provisions of Section 186 of the Companies Act, 2013, the Particulars of Loans, Guarantees and Investment made by the Company are separately provided in the Annual Accounts and forming part of the comprehensive report and hence not reproduced herein.

25. Particulars of contracts or arrangements with related parties:

The particulars of Related Party Transactions are mentioned with details and the same forms part of Notes to Accounts. The particulars of contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arm's length transactions under third proviso thereto in Form AOC 2 is attached to the Directors Report as an Annexure 4.

26. Whistle Blower Policy

Company have devised and implemented Whistle Blower policy. The Whistle Blower Policy reproduced on the website of the Company.

27. Risk management

Company have devised and implemented risk management mechanism for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

28. Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013 read with sub-section (5) of section 134, state that

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. Acknowledgements

The Board wishes to express their heart felt gratitude towards Company's Clients, Vendors, Investors, Bankers and Auditors for their ongoing, continued and ardent faith, support and guidance during the year. The Board also placed on record its appreciation for the contribution made by the Employees, Team Leaders, employed and deployed at all levels in all locations across India and abroad. The Board affirms that the growth of Company was made possible by their continuous hard work, solidarity, co-operation and support.

The Board also thanks to the Government of India and its various departments especially including the Reserve Bank of India, Ministry of Communication and Information Technology, the Income Tax Department, Ministry of Finance, Ministry of Corporate Affairs, Software Technology Park – Mumbai, SEEPZ Authority - Mumbai, MIDC Authority – Mumbai, State Government Departments such as Department of Labor Welfare, and other Government Agencies for their unstinted support during the year under review and the Board looks forward to their continued support in the future as well.

The Board also thanks the functional Government Departments and Embassies of USA, UK, Canada, Dubai, Singapore, Jersey, Bahrain, Malaysia, Bahamas and Guernsey where your Company has business and business relations, for their timely support and handholding support provided from time to time.

For INFRAsoft TECHNOLOGIES LIMITED

Rahul Bhasin
Chairman
(DIN 00236867)

Place: Mumbai
Date: September 16, 2022

**ANNEXURE NO. 1
TO DIRECTORS' REPORT
AOC 1**

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in prescribed Form AOC-1 relating to Subsidiary Companies:

₹ In Lakhs

Sr No	Name of the Subsidiary	Reporting period	Reporting currency	Exchange rate	Capital (at historical rates)	Reserves	Total Assets	Total Liabilities	Investment	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend %	Share holding %
1	Infrasoft Technologies Limited UK	April-March	GBP (Closing) (Avg.)	101.2578 99.1515	112.58	543.46	963.00	306.95	-	1116.75	25.53	5.72	19.82	-	100%
2	Infrasoft Technologies FZ LLC Dubai	April-March	USD (Closing) (Avg.)	75.5100 74.2985	15.20	3918.76	13064.44	9130.48	-	8661.76	1097.18	18.43	1078.75	-	100%
3	Infrasoft Technologies Inc USA	April-March	USD (Closing) (Avg.)	75.5100 74.2985	274.88	354.40	705.29	76.01	-	258.46	18.80	8.65	10.15	-	100%
4	Infrasoft Technologies Pte Limited Singapore	April-March	USD (Closing) (Avg.)	75.5100 74.2985	175.28	497.74	1212.37	539.35	-	1561.08	224.48	7.55	216.93	-	100%
5	InfrasoftTech Canada Limited Canada	April-March	CAD (Closing) (Avg.)	60.4971 59.2797	0.05	344.62	459.75	115.08	-	1406.87	314.36	74.54	239.82	-	100%
6	Infrasoft Technologies Jersey Limited Jersey	April-March	GBP (Closing) (Avg.)	101.2578 99.1515	0.08	1147.37	1924.98	777.53	-	3395.26	179.95	-	179.95	-	100%
7	Infrasoft Technologies SDN BHD Malaysia	April-March	MYR (Closing) (Avg.)	17.9398 17.7814	10.05	98.46	134.17	25.67	-	15.30	0.40	0.07	0.33	-	100%

**ANNEXURE NO. 2
TO DIRECTORS' REPORT
Form No. MGT-9**

Extract of Annual Return - as on the financial year ended on March 31, 2021
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	Name of the Company	INFRASOFT TECHNOLOGIES LIMITED
(ii)	U72900MH1995PLC135094	U72900MH1995PLC135094
(iii)	Registration Date	July 6, 1995
(iv)	Category / Sub-Category of the Company	Public Limited Company
(v)	Address of the Registered office	Unit No. 86 & 87, 1 st Floor, SDF III, SEEPZ SEZ, Andheri (East), Mumbai – 400096
(vi)	Whether listed company	NO
(vii)	Name, Address and Contact details of Registrar	Bigshare Services Private Limited PINNACLE BUSINESS PARK Office No. S6-2, 6 th Mahakali Caves Road Next to Ahura Centre Andheri (East), Mumbai - 400093 Maharashtra, India Tel. No: 022 – 62638200 / 300
(viii)	Email	investor@bigshareonline.com
(ix)	Website	www.bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Customized Software Product	62011 & 62013	75%
2	Sale of Software Services	62011 & 62013	25%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Subsidiary	% of shares held	Applicable Section
1.	Infrasoft Technologies FZ LLC	Foreign Co.	Yes	100%	2 (76)
2.	Infrasoft Technologies Inc USA	Foreign Co.	Yes	100%	2 (76)
3.	Infrasoft Technologies Limited, UK	Foreign Co.	Yes	100%	2 (76)
4.	Infrasoft Technologies Pte Ltd Singapore	Foreign Co.	Yes	100%	2 (76)
5.	Infrasoft Technologies Sdn Bhd	Foreign Co.	Yes	100%	2 (76)
6.	Infrasoft Technologies Canada Limited	Foreign Co.	Yes	100%	2 (76)
7.	Infrasoft Technologies (Jersey) Limited	Foreign Co.	Yes	100%	2 (76)
8.	Infrasoft Technologies Guernsey Limited	Foreign Co.	Yes	100%	2 (76)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Sr. No.	Shareholders Category	Group	Equity Shares	% Shares of Total
1	Indian – Promoter Group			
	Individuals	Promoter	19,76,657	25.87
	Group Companies	Promoter	10,56,250	13.82
2	Indian - Other than Promoters			
	Institutions	Others	0	0
	Non-Institutions -			
	-Individuals	Others	160,670	2.10
	-Overseas Body Corporate	Others	44,48,008	58.21
	Total		76,41,585	100

I. Category-wise Share Holding

Statement Showing Shareholding Pattern										
	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2020				No. of Shares held at the end of the year :31/03/2021				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(A) Shareholding of Promoter and Promoter Group										
Indian										
(a)	INDIVIDUAL / HUF	30,32,907	0	30,32,907	39.69	30,32,907	0	30,32,907	39.69	0.00
(b)	Central / State government(s)	0	0	0	0	0	0	0	0	0
(c)	BODIES CORPORATE	0	0	0	0	0	0	0	0	0
(d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0	0	0
(e)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
(i)	GROUP COMPANIES	0	0	0	0	0	0	0	0	0
(ii)	TRUSTS	0	0	0	0	0	0	0	0	0
(iii)	DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A)(1):	30,32,907	0	30,32,907	39.69	30,32,907	0	30,32,907	39.69	0.00
Foreign										
(a)	BODIES CORPORATE	0	0	0	0	0	0	0	0	0
(b)	INDIVIDUAL	0	0	0	0	0	0	0	0	0
(c)	INSTITUTIONS	0	0	0	0	0	0	0	0	0
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
(e)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
	SUB TOTAL (A)(2)	0	0	0	0	0	0	0	0	0
	(A)=(A)(1) + (A)(2)	30,32,907	0	30,32,907	39.69	30,32,907	0	30,32,907	39.69	0.00

Statement Showing Shareholding Pattern										
	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2020				No. of Shares held at the end of the year :31/03/2021				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(B) Public shareholding										
Institutions										
(a)	Central / State government(s)	0	0	0	0	0	0	0	0	0
(b)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0	0	0	0	0	0
(c)	MUTUAL FUNDS / UTI	0	0	0	0	0	0	0	0	0
(d)	VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
(e)	INSURANCE COMPANIES	0	0	0	0	0	0	0	0	0
(f)	FII'S	0	0	0	0	0	0	0	0	0
(g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0	0	0	0	0	0
(h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
(i)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
(j)	FOREIGN PORTFOLIO INVESTOR	0	0	0	0	0	0	0	0	0
(k)	ALTERNATE INVESTMENT FUND	0	0	0	0	0	0	0	0	0
	SUB TOTAL (B)(1)	0	0	0	0	0	0	0	0	0
Non-Institutions										
(a)	BODIES CORPORATE	0	0	0	0	0	0	0	0	0
(b)	INDIVIDUAL									

Statement Showing Shareholding Pattern										
	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2020				No. of Shares held at the end of the year :31/03/2021				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
(i)	(CAPITAL UPTO TO ₹ 2 Lakh)	49,190	28,110	77,300	1.01	81,480	5,000	86,480	1.13	0.12
(ii)	(CAPITAL GREATER THAN ₹ 2 Lakh)	50,000	0	50,000	0.65	50,000	0	50,000	0.65	0
(c)	ANY OTHERS (Specify)	0	0	0	0	0	0	0	0	0
(i)	TRUSTS	0	0	0	0	0	0	0	0	0
(ii)	CLEARING MEMBER	0	0	0	0	0	0	0	0	0
(iii)	NON RESIDENT INDIANS (NRI)	0	0	0	0	0	0	0	0	0
(iv)	NON RESIDENT INDIANS (REPAT)	5950	0	5950	0.08	5950	0	5950	0.08	0.00
(v)	NON RESIDENT INDIANS (NON REPAT)	9300	0	9300	0.12	18,240	0	18,240	0.24	0.12
(vi)	DIRECTORS RELATIVES	0	0	0	0	0	0	0	0	0
(vii)	EMPLOYEE	0	18120	18120	0.24	0	0	0	0	(0.24)
(viii)	OVERSEAS BODIES CORPORATES	4448008	0	4448008	58.21	4448008	0	4448008	58.21	0.00
(ix)	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0	0	0	0	0	0
(d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0

Statement Showing Shareholding Pattern										
	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2020				No. of Shares held at the end of the year :31/03/2021				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
	SUB TOTAL (B)(2)	0	0	0	0	0	0	0	0	0
	(B)=(B)(1) + (B)(2)	4562448	46230	4608678	60.31	4603678	5000	4608678	60.31	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued										
(a)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(ii)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	SUB TOTAL (C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
	(C)=(C)(1)	0	0	0	0.00	0	0	0	0.00	0.00
	Grand Total (A)+(B)+(C)	7595355	46230	7641585	100	7636585	5000	7641585	100.00	0.00

II. Shareholding of Promoters

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2020			Shareholding at the end of the year 31/03/2021			% Change in shareholding during the year
		Number of Shares	% Shares of the Company	% of Shares Pledged / encumbered to total shares	Number of Shares	% Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Global Fintech Private Limited	3,50,000	4.5802	0.0000	3,50,000	4.5802	0.0000	0.00
2	Priya Agarwal	50,000	0.65	0.0000	50,000	0.65	0.0000	0.00
3	Shaina Rahul Agarwal	15,000	0.20	15,000	15,000	0.20	15,000	0
4	Rashmi Agarwal	4,65,000	6.0851	0.0000	4,65,000	6.0851	0.0000	0
5	Rohit Agarwal	1,50,000	1.9629	0.0000	1,50,000	1.9629	0.0000	0
6	Maninder Mahabir Singh	4,14,101	5.4910	0.0000	4,14,101	5.3251	0.0000	0.00
7	Batlivala And Karani Portfolio Advisory Services Pvt. Ltd.	7,06,250	9.2422	0.0000	7,06,250	9.2422	0.0000	0.00
8	Rajesh Mirjankar	4,17,893	5.47	0.0000	4,17,893	5.47	0.0000	0.00
9	Manoj Murarka	3,97,956	5.21	0.0000	3,97,956	5.21	0.0000	0.00
10	Jai Rahul Agarwal	66,707	0.87	0.0000	66,707	0.87	0.0000	0.00
		30,32,907	39.7614	0.0000	30,32,907	39.7614	0.0000	0.00

III. Change in Promoters' Shareholding

C. CHANGE IN PROMOTERS SHAREHOLDING				
	Shareholding at the beginning of the year 01/04/2020		Shareholding at the end of the year 31/03/2021	
	Number of Shares	% of total shares of the company	Number of Shares	% of total shares of the company
At the beginning of the year	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

IV. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not	0.00	0.00	0.00	0.00
Total (i+ii+iii)	0.00	0.00	0.00	0.00
Change in Indebtedness during the financial year				
- Addition	0.00	0.00	0.00	0.00
- Reduction	0.00	0.00	0.00	0.00
Net Change	0.00	0.00	0.00	0.00
Indebtedness at the end of the financial year				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)*	0.00	0.00	0.00	0.00

V. Remuneration to Managing Director, Whole-time Directors and/or Manager

A. Remuneration to Managing Director, Whole-time Directors:

Particulars of Remuneration	Rajesh Mirjankar	Total
Gross salary		
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,71,85,973	1,71,85,973
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
Stock Option	-	-
Sweat Equity	-	-
Commission		
- as % of profit	-	-
- others, specify	-	-
Others, please specify	-	-
- Contribution to Provident Fund		
Total	1,71,85,973	1,71,85,973

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Independent Director		Total Amount
	Rangan Mohan	Milind Chalisgaonkar	
<u>Independent Directors</u>			
· Fee for attending board committee meetings			
· Commission			
· Others, please specify			
Professional Fees	12,00,000	18,00,000	30,00,000
Total Managerial Remuneration	12,00,000	18,00,000	30,00,000

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

Particulars of Remuneration	Kankesh Kamath CFO	Meet Bhagat Company Secretary	Total
Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	80,47,349	27,41,392	1,07,88,741
Stock Option (No. of shares)	-	-	-
Sweat Equity	-	-	-
Commission - as % of profit - others, specify	-	-	-
Others, please specify -Contribution to Provident Fund	-	-	-
Total	80,47,349	27,41,392	1,07,88,741

VI. Penalties / punishment/ compounding of offences:

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD /NCLT/Court]	Appeal made. If any (give details)
B. Directors					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A
C. Other Officers In Default					
Penalty	N.A	N.A	N.A	N.A	N.A
Punishment	N.A	N.A	N.A	N.A	N.A
Compounding	N.A	N.A	N.A	N.A	N.A

For INFRAISOFT TECHNOLOGIES LIMITED

Rahul Bhasin
Chairman
(DIN 00236867)

Place: Mumbai
Date: September 16, 2022

**ANNEXURE NO. 3
TO DIRECTORS' REPORT
CSR REPORT**

1. Brief outline of CSR Policy

CSR is the process by which an organization thinks about and evolves its relationships with stakeholders for the common good and demonstrates its commitment in this regard by adoption of appropriate business processes and strategies. Thus, CSR is not charity or mere donations. CSR is a way of conducting business, by which corporate entities visibly contribute to the social good. Socially responsible companies do not limit themselves to using resources to engage in activities that increase only their profits. They use CSR to integrate economic, environmental and social objectives with the company's operations and growth.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation	Number of Meeting of CSR Committee held during year	Number of Meeting of Committee attended
1	Rangan Mohan	Chairman	2	2
2	Milind Chalisgaonkar	Member	2	2
3	Rajesh Mirjankar	Member	2	2

3. Weblink where composition of CSR committee, CSR Policy and CSR Project approved by the Board of Director are disclosed on website:

<https://www.kiya.ai/about-us/csr/>

4. Details of impact assessment of CSR Projects carried out in pursuant of sub rule (3) of rule 8 of the companies (Corporate Social Responsibility) Rules, 2014, if applicable (attach the report) - Not Applicable

5. Details of the amount available for set off in pursuance of sub rule (3) of Rule 7 of the companies (Corporate Social Responsibility) Rules, 2014 and amount required of set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set off for the year, if any (in Rs.)
1	-	NA	NA

6. Average net profit of the company as per Section 135(5) – **Rs. 49,56,19,112/-**

7. (a) Two percent of average net profit of the company as per section 135(5) – **Rs. 98,03,617**
(b) Surplus arising out of the CSR Project or programmes or activities of the previous financial year – **Rs. 1,411/- excess contributed.**

(c) Amount required to be set off for the financial year, if any - **NA**

(d) Total CSR obligation for the financial year (7a+7b+7c) - **Rs. 98,02,206/-**

8. (a) CSR amount spent or unspent for the financial year:

Spent - **Rs. 1,00,00,000**

Unspent – **NA**

(b) details of CSR amount spent against ongoing projects for the financial year

Total Amount Spent for financial year (in Rs.)	Amount Unspent	
	Total amount transferred to Unspent CSR account as per section 135(6)	Amount transferred to any fund specified fund Schedule VII as per proviso 135(5)
	NA	NA

(b) details of CSR amount spent against ongoing projects for the financial year

1	2	3	4	5	6	7	8	9	10	11
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.).	Total amount transferred to Unspent CSR account as per section 135(6)	Mode of implementation – Direct (Yes/No)	Mode of implementation – Through implementing agency
1	Goonj	Developmental Activities focused on Water, Sanitation, Local Infrastructure, Environment, Agriculture etc.	Yes	Maharashtra	1 year	29,00,000	29,00,000	NA	No	Yes
2	AIC-MIT ADT Incubator Forum	Mission Digital Education	Yes	Pune	1 year	35,00,000	35,00,000	NA	No	Yes
3	ARMMAN	Health	Yes	Maharashtra	1 year	36,00,000	36,00,000	NA	No	Yes

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area(Yes/No)	Location of the project.		Amount spent for the project(in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency. CSR Registration number.
				State	District.			
Not Applicable.								

(d) Amount spent in Administrative Overheads - **NIL**

(e) Amount spent on Impact Assessment, if applicable – **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – **Rs. 1,00,00,000/-**

Excess amount for set off, if any

Sr. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	98,03,617
(ii)	Total amount spent for the Financial Year	1,00,00,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1,96,383
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	1,411
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1,97,794

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

Sr. No	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of project Completed / Ongoing
			Not Applicable					

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – **Not Applicable**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not Applicable**

For INFRAsoft TECHNOLOGIES LIMITED

For INFRAsoft TECHNOLOGIES LIMITED

Managing Director & Chief Executive Officer

Chairman – CSR Committee

Place: Mumbai

Date: September 16, 2022

**ANNEXURE NO. 4
TO DIRECTORS REPORT
Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the
Companies (Accounts) Rules, 2014)**

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

The Company has not entered into any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2020-21.

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.	Particulars	Details of the Related Party Transactions
(a)	Name(s) of the related party and nature of relationship	7 (Seven) Subsidiary Companies of Infrasoft Technologies Limited and one related party entity, the names and details whereof are separately mentioned in the Directors Report annexed and forming part of this Annual Report
(b)	Nature of contracts / arrangements / transactions	Contracts are mainly entered in to for Transfer Pricing
(c)	Duration of the contracts / arrangements / transactions	Agreements are renewed from time to time
(d)	Salient terms of the contracts or arrangements or transactions including the value:	The terms and conditions of the Contact are related to the Transfer Pricing
(e)	Date(s) of approval by the Board:	The transactions are entered on arms' length and on ordinary course.
(f)	Software development income: Recovery of expenses	Rs. 74,62,27,823 Rs. 85,03,713

For INFRAsoft TECHNOLOGIES LIMITED

Place: Mumbai

Date: September 16, 2022

**Rahul Bhasin
Chairman
(DIN 00236867)**

Independent Auditor's Report

To the Members of Infrasoft Technologies Limited

Opinion

We have audited the standalone financial statements of Infrasoft Technologies Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss and standalone statement of cash flows for the year then ended 31 March 2022, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under

Independent Auditor's Report (*Continued*)

Infrasoft Technologies Limited

Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The standalone balance sheet, the standalone statement of profit and loss and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40 (iv) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40 (v) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

Independent Auditor's Report (*Continued*)

Infrasoft Technologies Limited

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

C. In our opinion and according to the information and explanation given to us, during the current year, the remuneration paid by the company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jitendra Vaishnav

Partner

Place: Mumbai

Membership No.: 123636

Date: 16 September 2022

ICAI UDIN:22123636ASOOSH5971

Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in every two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering software development, implementation, support and services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Whether return/statement subsequently rectified
Jun-21	The Hongkong and Shanghai Banking Corporation Limited	Debtors	492.36 millions	669.74 millions	177.38 millions	Yes

Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

Quarter	Name of bank	Particular S	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/st atement subsequ ently rectified
Jun-21	The Hongkong and Shanghai Banking Corporatio n Limited	Creditors	20.21 millions	18.12 millions	2.09 millions	Yes
Sep-21	The Hongkong and Shanghai Banking Corporatio n Limited	Creditors	54.45 millions	52.66 millions	1.78 millions	Yes

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any secured or unsecured loans or secured advances in the nature of loans, to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments and granted unsecured advances in the nature of loans to companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments or granted any unsecured advances in nature of loans to firms and limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans to any other entity as below:

Particulars	Advances in nature of loans
Aggregate amount during the year Others*	0.85 millions
Balance outstanding as at balance sheet date Others*	0.75 millions

*As per the Companies Act, 2013

Annexure A to the Independent Auditor’s Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the advances in the nature of loan granted during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not granted any loans or provided guarantee or security during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, in case of advance in the nature of loan given to AGS Transact Technologies Ltd., Watchdata Technologies (India) Pvt Ltd. and Gvwala Tech of Rs. 0.70 millions , Rs. 0.45 millions and Rs. 0.05 millions respectively, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular. Further, the Company has not given any loans to any party.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans as reported in para iii (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any loans to any party.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loans as reported in para iii (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment whether any advance in nature of loan has fallen due during the year. Further, the Company has not given any loans to any party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans.

	All Parties
Aggregate of advances in nature of loan - Agreement does not specify any terms or period of Repayment	0.85 millions
Percentage of advances in nature of loan to the total advances (Advances to supplier)	4%

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 (“the Act”). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the any of the services rendered by the company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Value Added Tax , Central Sales Tax and Income-Tax which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income tax Demand	3.06	A.Y 2002-03	High Court, New Delhi	
Income Tax Act, 1961	Income tax Demand	19.47	A.Y 2006-07	CIT (A), Mumbai	
Income Tax Act, 1961	Income tax Demand	1.31	A.Y 2008-09	CIT (A), Mumbai	
Income Tax Act, 1961	Income tax Demand	9.93	A.Y 2009-10	CIT (A), Mumbai	
Income Tax Act, 1961	Income tax Demand	3.30	A.Y 2017-18	CIT (A), Mumbai	
MVAT Act, 2002	VAT Demand	5.11	FY 2012-13	Joint Commissioner of Sales Tax Appeals	
Central Sales Tax Act, 1958	CST Demand	0.53	FY 2012-13	Joint Commissioner of Sales Tax Appeals	

- (viii) According to the information and explanations given to us and on the basis of our examination

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

- of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
 - (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
 - (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly,

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jitendra Vaishnav

Partner

Place: Mumbai

Date: 16 September 2022

Membership No.: 123636

ICAI UDIN:22123636ASOOSH5971

Annexure B to the Independent Auditor's Report on the standalone financial statements of Infrasoft Technologies Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Infrasoft Technologies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jitendra Vaishnav

Partner

Place: Mumbai

Membership No.: 123636

Date: 16 September 2022

ICAI UDIN:22123636ASOOSH5971

Standalone Balance Sheet

as at 31 March 2022

(Currency: Indian Rupees in millions)

	Note	31 March 2022	31 March 2021
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	76.42	76.42
Reserves and surplus	4	2,454.57	2,145.90
		<u>2,530.99</u>	<u>2,222.32</u>
Non-current liabilities			
Other long term liabilities	5	4.16	-
Long-term provisions	6	-	19.49
		<u>4.16</u>	<u>19.49</u>
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	7	18.26	3.41
- total outstanding dues of creditors other than micro enterprises and small enterprises	7	171.08	161.50
Other current liabilities	5	359.27	227.21
Short-term provisions	6	59.05	48.80
		<u>607.66</u>	<u>440.92</u>
TOTAL		<u>3,142.81</u>	<u>2,682.73</u>
ASSETS			
Non-current assets			
Property, plant and equipment	8	179.62	84.18
Intangible assets	9	4.90	1.87
Non-current investments	10	139.39	117.34
Deferred tax assets	11	23.95	32.10
Long-term loans and advances	12	191.45	175.71
Other non-current assets	13	45.23	28.04
		<u>584.54</u>	<u>439.24</u>
Current assets			
Current investments	14	522.71	120.85
Trade receivables	15		
- Billed	15 (a)	261.04	441.79
- Unbilled	15 (b)	1,073.94	881.34
Cash and bank balances	16	249.17	503.04
Short-term loans and advances	12	125.40	87.81
Other current assets	17	326.01	208.66
		<u>2,558.27</u>	<u>2,243.49</u>
TOTAL		<u>3,142.81</u>	<u>2,682.73</u>
Significant accounting policies	2		
Notes to the financials statements	3-42		
The notes referred to above form an integral part of the Standalone financial statements. As per our report of even date as attached.			

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

Jitendra Vaishnav
Partner
Membership No: 123636

Rahul Bhasin
Chairman
[DIN: 00236867]

Rajesh Mirjankar
Managing Director
[DIN: 03594206]

Kankesh Kamath
Chief Financial Officer
[Membership No: ACA 100377]

Mumbai
16 September 2022

Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]

Standalone Statement of Profit and Loss
for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

	<i>Note</i>	31 March 2022	31 March 2021
Revenues			
Revenue from operations	18	2,806.13	2,493.00
Other income	19	110.51	26.66
Total Income		2,916.64	2,519.66
Expenses			
Cost of services	20	464.18	511.60
Employee benefits expense	21	1,331.76	1,133.95
Depreciation and amortisation expense	22	35.18	32.91
Other expenses	23	386.01	425.06
Total expenses		2,217.13	2,103.52
Profit before taxation		699.51	416.14
Tax expenses:			
Current tax		153.06	79.93
Short provision of prior years		0.39	16.79
MAT credit utilisation		-	36.73
Prior years MAT (entitlement)/reversal		-	(8.77)
Deferred tax charge		8.15	6.00
Profit for the year		537.91	285.46
Earnings per equity share			
Nominal value of share : Rs. 10 (31 March 2021 : Rs. 10)	24		
Basic		70.39	37.35
Diluted		70.27	37.29

Significant accounting policies

The notes referred to above form an integral part of the Standalone financial statements.
Notes to the financials statements
As per our report of even date as attached.

3-42

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

Jitendra Vaishnav
Partner
Membership No: 123636

Rahul Bhasin
Chairman
[DIN: 00236867]

Rajesh Mirjankar
Managing Director
[DIN: 03594206]

Kankesh Kamath
Chief Financial Officer
[Membership No: ACA 100377]

Mumbai
16 September 2022

Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]

Standalone Cash Flow Statement

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
A. Cash flow from Operating Activities		
Net Profit before taxation	699.51	416.14
Adjustments for:		
Interest income	(4.61)	(4.33)
Dividend income	(99.93)	-
Profit on sale of investments	(3.04)	(1.60)
Depreciation and amortisation expense	35.18	32.91
Bad debts written off	16.50	171.44
Deposits written off	1.51	5.72
Provision for bad and doubtful debts (written back)/provided	(3.62)	(24.06)
Provision for doubtful deposits	-	(5.23)
Loss on sale of property, plant and equipment	0.02	-
Unbilled revenue written off	5.17	24.38
Unrealised foreign exchange (gain)/loss	(1.01)	4.95
Operating cash flow before working capital changes	645.68	620.33
Movement in working capital		
(Increase)/Decrease in trade receivables	(24.73)	50.91
(Increase)/Decrease in loans and advances	(91.46)	57.06
(Increase) in other current assets and non-current assets	(141.41)	(208.85)
(Decrease)/Increase in Provisions	(12.94)	9.09
Increase/(Decrease) in trade payables	24.52	(75.11)
Increase in other current and non-current liabilities	130.49	30.46
Cash generated from operations	530.15	483.90
Taxes paid, net	(133.65)	(68.65)
Net cash generated from operating activities (A)	396.50	415.25
B. Cash flow from Investing Activities		
Purchase of property, plant and equipment, net of capital advance	(128.10)	(33.82)
Sale proceeds of Property, plant and equipment	0.17	-
Dividend income	99.93	-
Investment in fixed deposits	(192.02)	(178.22)
Proceeds from fixed deposits matured	174.48	148.69
Purchase of current investments	(750.00)	(287.50)
Proceeds from sale of current investments	351.18	189.10
Interest received	3.21	5.20
Net cash (used) in investing activities (B)	(441.15)	(156.55)
C. Cash flow from Financing Activities		
Dividend paid	(229.25)	-
Net cash used in financing activities (C)	(229.25)	-
Net increase in cash and cash equivalents (A+B+C)	(273.90)	258.70
Effect of exchange differences on cash and cash equivalents held in foreign currency	0.94	(2.37)
Cash and cash equivalents at the beginning of the year	412.80	156.47
Cash and cash equivalents at the end of the year	139.84	412.80

Standalone Cash Flow Statement (*Continued*)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

Notes :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 "Cash Flow Statements", notified under section 133 read with rule 7 of Companies (Accounts) Rules, 2013.

	31 March 2022	31 March 2021
2) Reconciliation of cash and cash equivalents:		
Cash and cash equivalents comprise of:		
Cash on hand	0.01	0.01
Balances with banks		
- in current accounts	139.72	412.75
- in current accounts (for dividend)	0.11	0.04
- in deposit accounts (with maturity upto 3 months)		-
Cash and cash equivalents	139.84	412.80

- 3) Figures in brackets represents outflow of cash and cash equivalents.

As per our report of even date as attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

Jitendra Vaishnav
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Membership No: 123636

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Chief Financial Officer
[Membership No: ACA 100377]

Mumbai
16 September 2022

Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]

Notes to the Standalone financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

1 Background of Company

Infrasoft Technologies Limited ('the Company') was incorporated on 6 July 1995.

Infrasoft Technologies Limited offers software products, solutions and services for banks and financial institutions in India, United Kingdom, Middle East, United States, Singapore, Canada, Malaysia and Jersey. It offers the following products and solutions;

- Core Banking Solution that creates new business models for banks to provide integrated process and data solutions;
- Wealth Management framework that offers a platform for wealth management services for private banks, asset managers, fund managers, trusts, insurance firms, brokerages and banks;
- Anti Money Laundering software - a business intelligence driven logical data model that addresses compliance requirements of banks, insurance firms, money exchanges and other financial institutions.
- Islamic Banking Solution for retail banking, wholesale banking, investment banking and funds management; and
- Micro finance Microfinance Solution provides a fully integrated application that addresses the entire life-cycle of lending process from origination, servicing and collection and recovery.
- InfrasoftTech provides digital solutions in the payment space for mobile banking, unified payment interface(UPI) and other system interfaces for bank's core banking and other transactions systems to connect with all the services delivery channels. Infrasofttech payment solutions connects to the national & international payment gateways to provide homogeneous integration of the customer banks to the global payment systems. InfrasoftTech also provides custom digital solutions to its Clients based on the their need

The Company also provides eChannel integrator, which enables delivery of services through various electronic channels, such as internet, peer to peer links, mobile, and gateways. In addition, it offers framework based solutions, migration services, testing services, offshore development and onshore integration services and managed services to provide application support and enhancement. Further, the Company provides application development services in the areas of business analysis, prototyping, solution architecting, design, development, validation, verification, solution deployment, and ongoing support and enhancements, as well as offers consulting services.

2 Significant accounting policies

a. Basis of accounting and preparation of Standalone financial statements

The Standalone financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis of accounting which comprise of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the 'Act'). Accounting Policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The Standalone financial statements are presented in Indian rupees.

b. Use of estimates

The preparation of the Standalone financial statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses for the year. Examples of such estimates include useful lives of property, plant and equipment and intangible assets, future obligations under employee retirement benefit plans, provision for doubtful debts and advances etc. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods. Such revisions are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

Notes to the Standalone financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (Continued)

c. Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.
Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents, generally twelve month is considered as operating cycle.

d. Revenue recognition

- a) Revenue on sale of products is recognised on delivery or installation of license as per the terms set out in the contract. Revenue on implementation and customisation services is recognised on achievement of the respective milestone based on percentage of Revenue from sale of license is recognised upon delivery of license key upon order confirmation. The fair value of license is estimated as 40% of the total contract value.
- b) Revenue from software operations:
Revenue from software development and software related services which are based on time and material are recognised as an when the related services are rendered. Revenue from software development and software related services on fixed price contracts are recognised based on proportionate completion method.
Revenue recognition for digital business is based on transaction.

In case of fixed price development contracts, revenue is recognised on the basis of percentage of completion of the project that represents proportion of work completed and is certified by management. Billing to the customers is done based on milestones achieved as specified in the contracts. Revenue from software operations also includes work completed but not billed which is classified as 'unbilled revenue' and is included in 'Trade Receivables-Unbilled' and 'Other current assets', while billing in advance is classified as 'Billing in advance' in 'Other current liabilities'.

Notes to the Standalone financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (Continued)

d. Revenue recognition (Continued)

c) Revenue from maintenance services is recognised over the term of the contract on a straight line basis.

d) Interest income:

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

e) Dividend income:

Revenue is recognised when the Company's right to receive payment is established at the Balance Sheet date.

e. (a) Property, plant and equipment (tangible assets)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenditure relating to the acquisition and installation of property, plant and equipment incurred up to the date the asset is ready for its intended use.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the Balance Sheet date.

Depreciation on fixed assets is provided pro rata for the period of use based on management's best estimate of useful lives of the assets. The useful life of the assets consider for depreciation is as summarised below:

Estimated useful life	Current years
Computer equipments (including servers)	3-6 years
Furniture and fixture	10 years
Office equipment	5 years
Electrical and fittings	10 years
Vehicles	8 years
Leasehold improvements	To be amortized over the lesser of the period of lease and the useful life of the asset

e. (a) Property, plant and equipment (tangible assets)

Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately

(b) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates.

Intangible assets are amortised on the straight line method at the following rates:

Goodwill arising on account of business purchase is amortized over period of 4 years.

Customers contract is amortised over period of 3 years.

Software license is amortised over period of 3 years.

f. Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes.

Notes to the Standalone financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (Continued)

g. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline, other than temporary, in the value of long term investments and is determined separately for each individual investment. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment. Current investments are carried at lower of cost and market value of each investment individually.

h. Foreign currency translations

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss account of the period.

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

i. Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

Post-employment benefits

Defined contribution plans:

The Company's contribution towards employee's provident fund and employee state insurance scheme are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as expense in the Statement of Profit and Loss during the year in which the employee renders the related service. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme.

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. The obligation under the defined benefit plan is measured after taking into account changes in legislation as have been enacted up to the Balance Sheet date.

Notes to the Standalone financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

i. Employee benefits (Continued)

Other long-term employment benefits:

Company's liabilities towards compensated absences to employees are determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

j. Income Taxes

Income-tax expenses comprise current tax and deferred tax charge or credit.

Current Taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019 to provide an option to domestic companies to pay income-tax at a concessional rate. The Company has elected to apply the concessional tax from 1 April 2021 onwards.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the Standalone financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

k. Leases

- i) Finance leases payments are apportioned between the finance charge and the reduction of the outstanding lease liability. The finance charges are recognised as an expense in the Statement of Profit and Loss.
- ii) Operating lease payments are recognised in the Statement of the Profit and Loss on a straight line basis over the lease term.

l. Earnings per share ('EPS')

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earning per share, and also the weighted average number of equity shares which may be issued on conversion of all dilutive potential shares, unless the results would be anti – dilutive.

m. Employee stock options

The Company applies the Guidance Note on “Accounting for Employee Share based Payments” issued by the Institute of Chartered Accountants of India ('ICAI') to account for costs related to the stock option plan. Accordingly, compensation expense as determined on the date of the grant is amortised over the vesting period. The Company follows intrinsic value method to calculate the value of the stock options.

Notes to the Standalone financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

n. Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around Infrasoft's work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development good through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013.

o. Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the Standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

3 Share capital

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
a) Authorised share capital				
Equity shares of Rs.10 each	11,000,000	110,000.00	11,000,000	110,000.00
	11,000,000	110,000.00	11,000,000	110,000.00
b) Issued, subscribed and paid up capital				
Equity shares of Rs.10 each	7,641,585	76.42	7,641,585	76.42
	7,641,585	76.42	7,641,585	76.42
c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period				
Balance at the beginning of the year	7,641,585	76.42	7,641,585	76.42
Movement during the year	-	-	-	-
Balance at the end of the year	7,641,585	76.42	7,641,585	76.42

d) Rights and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity held.

e) Shareholders holding more than 5% of the shares

	31 March 2022		31 March 2021	
	Number of shares	% shareholding	Number of shares	% shareholding
Baring India Private Equity Fund II	4,448,008	58.21%	4,448,008	58.21%
Batlivala and Karani Securities India Private Limited	706,250	9.24%	706,250	9.24%
Rashmi Agarwal	465,000	6.09%	465,000	6.09%
Rajesh Mirjankar	417,893	5.47%	417,893	5.47%
Maninder Mahabir Singh	414,101	5.42%	414,101	5.42%
Manoj Murarka	397,956	5.21%	397,956	5.21%
	6,849,208	89.63%	6,849,208	89.63%

f) Disclosure of Shareholding of Promoters

	31 March 2022		31 March 2021		% change during the year
	Number of shares	% shareholding	Number of shares	% shareholding	
Batlivala and Karani Securities India Private Limited	706,250	9.24%	706,250	9.24%	0.00%
Rashmi Agarwal	465,000	6.09%	465,000	6.09%	0.00%
Rajesh Mirjankar	417,893	5.47%	417,893	5.47%	0.00%
Maninder Mahabir Singh	414,101	5.42%	414,101	5.42%	0.00%
Manoj Murarka	397,956	5.21%	397,956	5.21%	0.00%
Global Fintech Private Limited	350,000	4.58%	350,000	4.58%	0.00%
Rohit Agarwal	150,000	1.96%	150,000	1.96%	0.00%
Jai Rahul Agarwal	66,707	0.87%	66,707	0.87%	0.00%
Priya Agarwal	50,000	0.65%	50,000	0.65%	0.00%
Shaina Rahul Agarwal	15,000	0.20%	15,000	0.20%	0.00%
	3,032,907	39.69%	3,032,907	39.69%	0.00%

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

g) Shares reserved for issue under options

The Company had reserved issuance of 96,500 (Previous year 96,500) equity shares of Rs.10 each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (Also, refer note 27)

	31 March 2022	31 March 2021
4 Reserves and surplus		
Capital redemption reserve		
Balance at the beginning of the year	7.16	7.16
Balance at the end of the year	<u>7.16</u>	<u>7.16</u>
Securities premium account		
Balance at the beginning of the year	28.50	28.50
Balance at the end of the year	<u>28.50</u>	<u>28.50</u>
General reserve		
Balance at the beginning of the year	65.10	65.10
Balance at the end of the year	<u>65.10</u>	<u>65.10</u>
Surplus in the statement of profit and loss account		
Balance at the beginning of the year	2,045.15	1,759.69
Add : Transferred from Statement of Profit and Loss	537.91	285.46
Less : Interim dividend	229.25	-
Balance at the end of the year	<u>2,353.81</u>	<u>2,045.15</u>
Total	<u>2,454.57</u>	<u>2,145.90</u>

Notes to the Standalone financial statements (*Continued*)

as at 31 March 2022

(Currency: Indian Rupees in millions)

5 Other current liabilities

	Long-term		Short-term	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Advances from customers	-	-	1.16	0.45
Billing in advances	-	-	160.95	88.13
Other payables				
Advances from wholly owned subsidiaries (refer Note (a))	-	-	30.48	30.34
Employee related payables	-	-	89.35	74.34
Creditors for capital goods	-	-	8.05	2.32
Rent equilisation reserve	4.16	-	0.48	1.62
<u>Payable to authorities :</u>				
Tax deducted at source payable	-	-	26.58	16.65
Employees providend fund, ESIC and other	-	-	8.20	6.29
Goods and services tax /Value added tax payable	-	-	33.91	7.04
Unpaid dividend	-	-	0.12	0.06
	<u>4.16</u>	<u>-</u>	<u>359.27</u>	<u>227.21</u>

(a) Advances from wholly owned subsidiaries:

	31 March 2022	31 March 2021
- Infrasoft Technologies FZ LLC	12.01	11.64
- Infrasoft Technologies Ltd., UK	16.59	16.85
- Infrasoft Technologies SDN BHD	1.88	1.84
	<u>30.48</u>	<u>30.33</u>

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

6 Provisions

	Long-term		Short-term	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provision for employee benefits				
Provisions for gratuity * (refer note 26)	-	19.49	22.14	24.58
Provision for leave encashment (refer note 26)	-	-	29.85	20.88
Other provisions				
Provision for tax (Net advance tax of Rs. 115.80 and previous year of Rs. 108.79)	-	-	7.06	3.34
	<u>-</u>	<u>19.49</u>	<u>59.05</u>	<u>48.80</u>

* Provision for gratuity (long term) is net off contribution of Rs.45.17 (previous year Rs. 9.02) paid to LIC Gratuity Fund

7 Trade payables

	31 March 2022	31 March 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	18.26	3.41
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 36)	171.08	161.50
	<u>189.34</u>	<u>164.91</u>

Ageing of Trade Payables

Outstanding as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.26	-	-	-	18.26
Others	136.31	20.35	6.55	7.87	171.08
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
	<u>154.56</u>	<u>20.35</u>	<u>6.55</u>	<u>7.87</u>	<u>189.34</u>

Outstanding as on March 31, 2021:

Particulars	Outstanding for following periods from due date of payment				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.41	-	-	-	3.41
Others	99.98	48.34	8.92	4.26	161.50
Disputed Dues-MSME	-	-	-	-	-
Disputed Dues-Others	-	-	-	-	-
	<u>103.40</u>	<u>48.34</u>	<u>8.92</u>	<u>4.26</u>	<u>164.91</u>

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

8 Property, plant and equipment

Gross block	Furniture and fixtures	Electrical and fittings	Vehicles	Computer equipments	Office equipments	Leasehold improvements	Total
Balance as at 1 April 2020	8.18	4.74	2.01	190.07	23.99	38.18	267.17
Additions	-	-	-	31.86	1.53	-	33.39
Disposals / Adjustments	-	-	-	-	-	-	-
Balance as at 31 March 2021	8.18	4.74	2.01	221.93	25.52	38.18	300.56
Additions	8.91	13.41	-	52.14	17.08	37.19	128.73
Disposals / Adjustments	-	-	-	(6.57)	(1.74)	-	(8.31)
Balance as at 31 March 2022	17.09	18.15	2.01	267.50	40.86	75.37	420.98
Accumulated depreciation and amortisation							
Balance as at 1 April 2020	5.48	4.45	0.13	118.56	22.00	37.68	188.30
Additions	0.64	0.29	0.25	25.38	1.02	0.50	28.08
Disposals / Adjustments	-	-	-	-	-	-	-
Balance as at 31 March 2021	6.12	4.74	0.38	143.94	23.02	38.18	216.38
Depreciation / Adjustments	0.33	0.07	0.25	31.10	1.00	0.36	33.11
Reversal on disposal of assets / Adjustments	-	-	-	(6.57)	(1.56)	-	(8.13)
Balance as at 31 March 2022	6.45	4.81	0.63	168.47	22.46	38.54	241.36
Net block							
Balance as at 31 March 2021	2.06	0.00	1.64	76.99	2.50	0.00	84.18
Balance as at 31 March 2022	10.64	13.33	1.38	99.04	18.41	36.83	179.62

Notes to the Standalone financial statements (Continued)
as at 31 March 2022

(Currency: Indian Rupees in millions)

9 Intangible assets

Gross block	Goodwill	Customers contract	Software licenses	Total
Balance as at 1 April 2020	80.40	108.90	46.04	235.34
Additions	-	-	1.08	1.08
Disposals	-	-	-	-
Balance as at 31 March 2021	80.40	108.90	47.12	236.42
Additions	-	-	5.10	5.10
Disposals	-	-	-	-
Balance as at 31 March 2022	80.40	108.90	52.22	241.52
Accumulated amortisation				
Balance as at 1 April 2020	80.40	108.90	40.42	229.72
Amortisation charge	-	-	4.83	4.83
Balance as at 31 March 2021	80.40	108.90	45.25	234.55
Amortisation charge	-	-	2.07	2.07
Balance as at 31 March 2022	80.40	108.90	47.32	236.62
Net block				
Balance as at 31 March 2021	-	-	1.87	1.87
Balance as at 31 March 2022	-	-	4.90	4.90

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

10 Non-current investments (Valued at cost unless stated otherwise)

	31 March 2022		31 March 2021	
	Units	Amounts in Rs.	Units	Amounts in Rs.
Unquoted trade investments				
Investments in equity instrument fully paid up (unquoted)				
In wholly owned subsidiary companies :				
Infrasoft Technologies Inc (Shares at par value)	400	27.49	200	5.44
Infrasoft Technologies Limited (UK) (Shares of GBP 1 each)	140,000	11.26	140,000	11.26
Infrasoft Technologies FZ-L.L.C. (Shares of AED 1,000 each)	125	1.52	125	1.52
Infrasoft Technologies Pte. Limited (Shares of SGD 1 each)	650,986	17.53	650,986	17.53
Infrasoft Technologies (Jersey) Limited (Shares of GBP 1 each)	100	80.53	100	80.53
Infrasoft Technologies SDN. BHD (Shares of MYR 1 each)	80,100	1.00	80,100	1.00
InfrasoftTech Canada Limited (Shares of 1 CAD each)	100	0.01	100	0.01
		139.34		117.29
Non trade				
Investments in equity shares(unquoted)				
In others				
Thane Janata Sahakari Bank Limited (Shares of Rs. 50 each)	1,001	0.05	1,001	0.05
Jankalyan Sahakari Bank Limited (Shares of Rs. 10 each)	320	0.00	320	0.00
		0.05		0.05
		139.39		117.34
Aggregate amount of investments				
Aggregate amount of unquoted investments at cost		139.39		117.34

31 March 2022 31 March 2021

11 Deferred tax assets

Timing difference between book depreciation and depreciation as per Income Tax Act, 1961	0.65	6.73
Disallowances under section 43B of the Income tax Act, 1961	20.09	21.50
Provision for bad and doubtful debts/deposits	2.04	3.41
Provision for rent equalisation	1.17	0.46
Deferred tax asset	23.95	32.10

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

12 Loans and advances Unsecured, considered good

	Long-term		Short-term	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Loans and advances to wholly owned subsidiaries (refer note (a))		-	0.78	4.81
Other loans and advances				
Advances	56.35	0.89	29.82	31.51
Share application money pending allotment - Infrasoft Technologies Inc.*	-	22.04	-	-
Advance income taxes (Net of provision for tax of Rs. 361.81 and previous year of Rs. 414.83)	107.58	123.67	-	-
Income tax paid under protest	20.92	20.92	-	-
GST/Service tax credit recoverable	-	-	35.60	13.73
Advances to employees	-	-	31.78	10.57
Advances to suppliers	-	-	21.18	5.02
Deferred revenue expenditure	6.60	8.19	6.24	22.17
	191.45	175.71	125.40	87.81

Note*:- The Company had made an overseas direct investment (ODI) in its wholly owned US subsidiary towards Equity Capital in the past years. The equity shares have been allotted to the Company on 20 May 2021.

	31 March 2022	31 March 2021
a) Loans and advances to wholly owned subsidiaries:		
- Infrasoft Technologies Jersey Limited	0.54	0.05
- InfrasoftTech Canada Limited	0.24	4.51
- Infrasoft Technologies FZ LLC	-	0.25
	0.78	4.81

13 Other non-current assets

	31 March 2022	31 March 2021
<u>Security deposit (Unsecured)</u>		
Considered good	24.47	5.73
Considered doubtful	0.60	0.60
Less : Provision	(0.60)	(0.60)
	24.47	5.73
Bank deposits (due to mature after 12 months from the reporting date) (Refer note no. 16)	20.76	22.31
	45.23	28.04

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

14 Current investments

	31 March 2022		31 March 2021	
	Number of	Amounts in Rs.	Number of	Amounts in Rs.
Current investment				
<i>Investments in mutual funds (non trade, unquoted)</i>				
<i>(lower of cost or market value)</i>				
IDFC Government Securities Fund - Investment Plan - Growth - Regular	688,293	10.85	688,293	10.85
HDFC Credit Risk Debt Fund - Regular Plan - Growth *	722,011	10.00	722,011	10.00
L & T Liquid Fund Direct Plan(G)	17,718	50.36	17,762	50.00
ICICI Prudential Liquid Fund Growth Direct Plan	162,805	50.62	-	-
HDFC Liquid Fund-Direct Plan - Growth Plan	11,952	50.00	-	-
Nippon India Liquid Fund -Direct - Growth	9,835	50.22	-	-
DSP Liquidity Fund - Direct Plan – Growth	17,024	50.00	17,024	50.00
LIC MF Liquid Fund - Direct Plan (G)	13,058	50.00	-	-
Kotak Liquid Direct Plan Growth	11,998	50.66	-	-
SBI MF - Liquid Fund Growth Direct Plan	15,092	50.00	-	-
Axis MF - Liquid Fund Growth Direct Plan	21,170	50.00	-	-
UTI MF - Liquid Fund Growth Direct Plan	14,339	50.00	-	-
Total unquoted investments		522.71		120.85
Aggregate amount of				
Book value of unquoted investments		522.71		120.85
Market value of unquoted investment in mutual funds		542.38		128.63

*Lien against bank guarantee of Rs. 20.85 (Previous year Rs. 20.85)

Notes to the Standalone financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
15 Trade receivables		
15 (a) Billed		
<i>Unsecured</i>		
Outstanding for a period exceeding six months		
Considered good	29.63	166.80
Doubtful	7.49	11.11
Less : Provision for bad and doubtful debts	(7.49)	(11.11)
	29.63	166.80
Other receivables		
Considered good	231.41	274.99
	231.41	274.99
	261.04	441.79
15 (b) Unbilled		
Trade receivables-unbilled	545.59	404.76
Trade receivables-unbilled Intercompany	528.35	476.58
	1,073.94	881.34
Total	1,334.98	1,323.13

Ageing of Trade receivable:

Outstanding as on March 31, 2022:

Particulars	Outstanding for following periods form due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	225.39	19.74	2.03	2.76	11.12	261.04
(ii) Undisputed Trade Receivables- considered doubtful	4.78	-	0.18	2.05	0.48	7.49
(iii) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-
	230.17	19.74	2.21	4.81	11.60	268.53
Less : Provision for bad and doubtful debts						7.49
						261.04
Trade receivables - Unbilled						1,073.94
						1,334.98

Outstanding as on March 31, 2021:

Particulars	Outstanding for following periods form due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	273.66	24.98	121.26	10.44	11.44	441.79
(ii) Undisputed Trade Receivables- considered doubtful	1.30	-	8.14	-	1.67	11.11
(iii) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered doubtful	-	-	-	-	-	-
	274.97	24.98	129.40	10.44	13.11	452.90
Less : Provision for bad and doubtful debts						11.11
						441.79
Trade receivables - Unbilled						881.34
						1,323.13

Notes to the Standalone financial statements (Continued)
as at 31 March 2022

(Currency: Indian Rupees in millions)

16 Cash and bank balances

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Cash and cash equivalents				
Cash on hand	-	-	0.01	0.01
Balances with banks				
- in current accounts	-	-	139.72	412.75
- in current accounts (for dividend)	-	-	0.11	0.04
- in deposit accounts (with original maturity upto 3 months)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>139.84</u>	<u>412.80</u>
Other bank balances*				
Deposits with maturity upto 3 months *	-	-	26.50	8.43
Deposits with maturity more than 3 months but less than 12 months*	-	-	82.83	81.81
Deposits with maturity more than 12 months*	20.76	22.31	-	-
	<u>20.76</u>	<u>22.31</u>	<u>109.33</u>	<u>90.24</u>
Less : Amounts disclosed as other non-current assets (Refer note no.	20.76	22.31	-	-
Total	<u>-</u>	<u>-</u>	<u>249.17</u>	<u>503.04</u>

*Lien against bank guarantee of Rs. 112.50 (Previous year Rs. 64.90)

17 Other current assets

	31 March 2022	31 March 2021
Security deposit (Unsecured)	24.23	29.71
Interest accrued on fixed deposit	2.71	1.31
Unbilled revenue	174.04	126.40
Unbilled revenue-intercompany (refer note 25)	125.03	51.24
	<u>326.01</u>	<u>208.66</u>

Notes to the Standalone financial statements (Continued)
for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
18 Revenue from operations		
Sale of software products	2,094.82	1,845.45
Sale of services	711.31	647.55
	<u>2,806.13</u>	<u>2,493.00</u>
19 Other income		
Interest income from		
- Fixed Deposits	4.61	4.33
Dividend income from subsidiaries	99.93	-
Profit on sale of investments (net)	3.04	1.60
Interest on Income Tax Refund	2.93	19.06
Liabilities no longer required, written back	-	0.82
Miscellaneous income	-	0.85
	<u>110.51</u>	<u>26.66</u>
20 Cost of services		
Software development and maintenance services	307.62	309.88
Manpower cost	29.22	14.28
Computer hardware	127.34	187.44
	<u>464.18</u>	<u>511.60</u>
21 Employee benefits expense		
Salaries, wages and bonus	1,262.76	1,086.10
Contribution to gratuity (refer note 26)	18.32	10.69
Contribution to provident and other defined contribution funds	45.36	36.12
Staff welfare expenses	5.32	1.04
	<u>1,331.76</u>	<u>1,133.95</u>
22 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 8)	33.11	28.08
Amortisation of intangible assets (refer note 9)	2.07	4.83
	<u>35.18</u>	<u>32.91</u>

Notes to the Standalone financial statements (Continued)
for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

23 Other expenses*

	31 March 2022	31 March 2021
Electricity	6.71	6.22
Rent (refer note 34)	53.03	43.37
Repairs and maintenance - others	2.09	0.10
Insurance	20.59	11.83
Payments to auditors (refer note 35)	4.45	3.89
Travelling and conveyance	108.31	81.58
Communication expenses	6.83	6.74
Business promotion	15.77	11.89
Legal and professional fees	20.20	10.09
Directors advisory fees	3.00	3.00
Selling and marketing expenses	35.55	3.24
Upkeeping and maintenance	12.24	10.67
CSR expenditure (refer note 30)	10.00	9.02
Computer consumables	28.44	26.86
Unbilled revenue written off (refer note 39)	5.17	24.38
Bad debts written off	16.50	171.44
Deposits written off	1.51	5.72
Provision for doubtful debts (net of written off as bad debts CY Rs.8.40 PY Rs.22.39)	(3.62)	(24.06)
Provision for doubtful Deposits (net of Deposits written off CY Rs. Nil PY Rs.5.73)	-	(5.23)
Loss on foreign currency transaction (net)	0.84	2.98
Rates and taxes	7.34	6.12
Recruitment expenses	20.34	7.69
Miscellaneous expenses	10.72	7.49
	386.01	425.06

*net of reimbursement of expenses from subsidiaries Rs. 2.07 (PY Rs.8.50).

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

24 Earning per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

	31 March 2022	31 March 2021
Basic Earning per share :		
Weighted average number of equity shares outstanding during the year	7.64	7.64
Net profit after tax attributable to equity shareholders (amounts in Rs.)	537.89	285.45
Earning per share :	70.39	37.35
Diluted Earning per share :		
Weighted average number of equity shares outstanding during the year	7.65	7.65
Net profit after tax attributable to equity shareholders (amounts in Rs.)	537.89	285.45
Earning per share :	70.27	37.29

25 Related Party Disclosures :

a) Names of related parties and description of relationship

Relationship	Name
A) Enterprise where control exists in subsidiaries	1) Infrasoft Technologies FZ LLC 2) Infrasoft Technologies Pte. Limited 3) Infrasoft Technologies SDN BHD. 4) Infrasoft Technologies Inc. 5) Infrasoft Technologies Limited (UK) 6) Infrasoft Technologies (Jersey) Limited 7) Infrasoft Technologies Guernsey Limited (Subsidiary of Infrasoft Technologies (Jersey) Ltd) 8) InfrasoftTech Canada Limited
B) Other related parties with whom the Company had transactions, etc.	
i) Key management personnel (KMP)	1) Mr. Rajesh Mirjankar 2) Mr. Rangan Mohan 3) Mr. Milind Chalisgaokar
ii) Enterprises where Directors having significant influence	SK Finance Ltd.

Details of transactions and outstanding balances in respect of the above related parties

	Subsidiaries	Individual having significant influence	Total
Transactions			
Software development income	745.50 (481.48)	0.73 (0.84)	746.23 (482.32)
Recovery of expenses	2.07 (8.50)	-	2.07 (8.50)
Dividend received from subsidiaries	99.93 -	-	99.93 -
Balance outstanding			
Balance receivable	0.78 (4.81)	0.16 (0.12)	0.94 (4.92)
Balance unbilled receivable	653.38 (527.82)	-	653.38 (527.82)
Balance payable	30.48 (30.34)	-	30.48 (30.34)
Investment	139,330.15 (117,286.96)	-	139,330.15 (117,286.96)
Share application money	- (22,047.92)	-	- (22,048)

* Figures in bracket represents Previous year figures

Notes to the Standalone financial statements (Continued)
for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

25 Related Party Disclosures (Continued) :

b) Disclosure of transactions with related parties

Transaction	Year ended	Year ended
	31 March 2022	31 March 2021
Software development income		
Infrasoft Technologies FZ LLC	525.75	300.97
Infrasoft Technologies (Jersey) Limited	73.68	58.09
Infrasoft Technologies Guernsey Ltd	2.06	2.57
Infrasoft Technologies Pte Limited	49.66	31.28
InfrasoftTech Canada Limited	56.82	44.13
Infrasoft Technologies SDN BHD	1.08	2.16
Infrasoft Technologies Limited (UK)	36.45	42.28
SK Finance Ltd.	0.73	0.84
Recovery of expenses		
Infrasoft Technologies FZ LLC	-	0.26
Infrasoft Technologies Limited (UK)	-	-
InfrasoftTech Canada Limited	0.44	4.51
Infrasoft Technologies (Jersey) Limited	0.56	0.05
Infrasoft Technologies Pte Limited	1.08	3.69
Dividend received from subsidiaries		
Infrasoft Technologies (Jersey) Limited	41.09	-
InfrasoftTech Canada Limited	58.84	-
Balance due from subsidiaries (including loans and advances)		
InfrasoftTech Canada Limited	0.24	4.51
Infrasoft Technologies (Jersey) Limited	0.54	0.05
Infrasoft Technologies FZLLC	-	0.25
Balance due from subsidiaries on account of unbilled revenue		
InfrasoftTech Canada Limited	5.58	8.50
Infrasoft Technologies (Jersey) Limited	29.71	16.80
Infrasoft Technologies Guernsey Ltd	2.14	2.57
Infrasoft Technologies FZLLC	585.41	457.00
Infrasoft Technologies SDN BHD	1.13	1.07
Infrasoft Technologies Pte Limited	16.13	16.81
Infrasoft Technologies Limited (UK)	13.28	25.07
Balance due to subsidiaries		
Infrasoft Technologies Limited (UK)	16.59	16.85
Infrasoft Technologies SDN BHD	1.88	1.84
Infrasoft Technologies FZLLC	12.01	11.64
Investments in subsidiaries		
Infrasoft Technologies Inc	27.49	5.44
Infrasoft Technologies Limited (UK)	11.26	11.26
Infrasoft Technologies FZ-L.L.C.	1.52	1.52
Infrasoft Technologies Pte. Limited	17.53	17.53
Infrasoft Technologies (Jersey) Limited	80.53	80.53
Infrasoft Tecnologies SDN. BHD	1.00	1.00
InfrasoftTech Canada Limited	0.01	0.01
Share application money		
Infrasoft Technologies Inc.	-	22.04

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

25 Related Party Disclosures (Continued) :

c) The compensation to key managerial personnel, comprising directors and executive officers is as follows:

Transaction	Year ended	Year ended
	31 March 2022	31 March 2021
Salaries and other employee benefits to whole-time directors and executive officers	17.00	16.32
Advisory fees to non-executive / independent directors	3.00	3.00
Total	20.00	19.32

The compensation payable to key managerial personnel, comprising directors and executive officers is as follows:

Transaction	Year ended	Year ended
	31 March 2022	31 March 2021
Mr. Milind Chalisgaonkar	-	0.83
Mr. Rangan Mohan	0.09	0.09

As on 31 March, 2022, there is Travelling expenses due to Mr. Rajesh Mirjankar of Rs. 6.55 (P.Y. travel advance Rs.1.32) which have been paid subsequently.

26 Retirement benefits to employees

Gratuity

In accordance with Indian law, the Company provides for gratuity, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary payable for each completed year of service. The Company provides the gratuity benefit through annual contributions to fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company. Vesting occurs upon completion of five years of service subject to maximum payment of Rs.20 Lakhs. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each Balance Sheet date.

Changes in present value of obligations	31 March 2022	31 March 2021
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	53.09	44.79
Current service cost	8.18	7.42
Interest cost	2.75	2.44
Actuarial (gain)/ loss on obligations	8.21	0.35
Benefits paid	(4.92)	(1.91)
Closing balance	67.31	53.09
ii) Fair value of plan assets		
Opening balance	9.02	5.40
Expected return on plan assets	0.47	0.29
Employer's contributions	40.00	6.00
Actuarial (loss) on plan assets	0.60	(0.75)
Benefits paid	(4.92)	(1.91)
Closing balance	45.17	9.02
Net liability recognised in the balance sheet (i-ii)	22.14	44.06
b) Expenses recognised in statement of profit and loss		
Current service cost	8.18	7.42
Interest cost	2.75	2.44
Expected return on plan assets	(0.47)	(0.29)
Net actuarial (gain)/loss recognised during the year	7.62	1.10
Expenses recognised in statement of profit and loss	18.08	10.67
c) Break up of plan assets		
LIC of India - Insurer Managed Fund	100%	100%
d) Principal actuarial assumptions		
Rate of discounting	5.66%	5.18%
Expected return on plan assets	5.66%	5.18%
Rate of increase in basic salary	8.00%	8.00%
Attrition rate	25.00%	25.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Normal retirement age	60 years	60 years
** Past service cost paid directly by the Company and debited to Profit & Loss Account	0.24	0.02

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

26 Retirement benefits to employees (Continued)

Gratuity

- i) **Discount rate** : 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.
- ii) **Expected rate of return on plan assets** : This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.
- iii) **Salary escalation rate** : The estimates of future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Experience adjustments:

Particular	As on					
	31st March 2022	31st March 2021	31st March 2020	31st March 2019	31st March 2018	31st March 2017
Gain/(Loss):						
Experience adjustments on plan liabilities	(8.21)	(0.35)	(3.37)	(0.05)	4.08	0.52
Experience adjustments on plan assets	0.60	(0.75)	(0.35)	(0.29)	(0.58)	(0.49)

Provident Fund:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs.45.06 (31st March 2021: Rs.35.59)

Leave encashment

The Company recognised a charge of compensated absences of Rs.13.50 (Previous year reversal of Rs.5.93) under employee benefits expense in the statement profit and loss account.

27 Disclosures on Employee share based payments - Employee Stock Option Scheme

- 1) In conformity with the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India in respect of the grants made on or after 1 April 2005, the following disclosures are made:

Method adopted for valuation

Stock compensation expense has been determined under the "Intrinsic Value Method" and amortised over the vesting period.

- 1) The Company instituted ESOP 2011 scheme under which 268,000 stock options have been allocated for a grant to employees. The scheme was approved by our shareholders to grant maximum 275,000 stock options at the Extra Ordinary General Meeting held on 11 February 2011. These options vest over a period of four years from the date of the grant.

The vesting period shall be as follows:

- First 20% of the Options Granted - On the completion of 12 months from the date of grant
- Next 20% of the Options Granted - On the completion of 24 months from the date of grant
- Next 30% of the Options Granted - On the completion of 36 months from the date of grant
- Next 30% of the Options Granted - On the completion of 48 months from the date of grant

The following is the status of ESOP as at 31st March 2022

Particulars	As at		
	No of shares	Exercise price	Fair Value
Outstanding at the beginning of the year Tranche I	27,000	190	184.91
Outstanding at the beginning of the year Tranche II	69,500	361	361.00
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Lapsed - Tranche I	-	-	-
Lapsed - Tranche II	-	-	-
Outstanding at the end of the year Tranche I	27,000	190	184.91
Outstanding at the end of the year Tranche II	69,500	361	361.00
Exercise at the end of the year	-	-	-

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

27 Disclosures on Employee share based payments - Employee Stock Option Scheme (Continued)

The following is the status of ESOP as at 31st March 2021

Particulars	As at		
	No of shares	Exercise price	Fair Value
Outstanding at the beginning of the year Tranche I	27,000	190	184.91
Outstanding at the beginning of the year Tranche II	69,500	361	361.00
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Lapsed - Tranche I	-	-	-
Lapsed - Tranche II	-	-	-
Outstanding at the end of the year Tranche I	27,000	190	184.91
Outstanding at the end of the year Tranche II	69,500	361	361.00
Exercise at the end of the year	-	-	-

The Company follows Intrinsic method to account for employee stock options. The stock-based compensation cost calculated as per intrinsic value method for the financial year 2021-22 is Nil. The guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India requires that the impact on the statement of profit and loss to be disclosed had fair valuation been followed. The Company has issued options to the employees at a price which is higher than fair value. Therefore, no provision or disclosure is made for employees compensation cost in the books of accounts.

	31 March 2022	31 March 2021
Profit for the year after taxation as reported	537.91	285.46
Add: Employee stock based compensation determined under the intrinsic value method	-	-
Less: Employee stock based compensation determined under the fair value method	-	-
Proforma Profit	537.91	285.46
Reported earnings per equity share of Rs. 10 each		
Basic	70.39	37.35
Diluted	70.27	37.29
Proforma earnings per equity share of Rs. 10 each		
Basic	70.39	37.35
Diluted	70.27	37.29

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

28 Segment reporting :

In accordance with paragraph 4 of Accounting Standard 17 “Segment Reporting” prescribed in the Companies (Accounts) Rules 2014, issued by the central government, the Company has presented segmental information only on the basis of the consolidated financial statements (refer note no. 28 of consolidated financial statements).

29 Unhedged foreign currency exposure

Foreign currency transactions of the Company are unhedged by derivative instruments or otherwise.

The details of foreign currency transactions of the Company are:

a) Foreign currency exposures not hedged at year-end

Particulars	Currency	31 March 2022	31 March 2021
Trade receivables	USD	0.22	0.54
	INR	16.38	39.90
	GBP	0.06	0.01
	INR	5.97	0.90
	LKR	-	2.75
	INR	-	1.01
Bank balance	USD	0.85	1.73
	INR	63.86	126.70
	GBP	-	0.13
	INR	-	13.14
Advances from customers and wholly owned subsidiaries	USD	0.00	0.00
	INR	0.17	0.17
	AED	0.58	0.58
	INR	12.01	11.64
	GBP	0.17	0.17
	INR	16.59	16.85
	MYR	0.10	0.10
	INR	1.88	1.84
Trade payables	USD	0.43	-
	INR	32.20	-
Investments, loans and advances	CAD	0.00	0.08
	INR	0.24	4.51
	GBP	0.01	0.00
	INR	0.54	0.05
	AED	-	0.01
	INR	-	0.25
	USD	0.61	0.11
	INR	46.09	8.21
	GBP	1.10	1.10
	INR	109.07	110.75
	AED	0.13	0.13
	INR	2.57	2.49
	SGD	0.65	0.65
	INR	36.31	35.37
MYR	0.08	0.08	
INR	1.44	1.41	
CAD	0.00	0.00	
INR	0.01	0.01	

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

30 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around Infrasoft Technologies Limited. The major areas covered for CSR activities are environment sustainability, empowering women and promoting gender equality, poverty reduction, eradicating extreme hunger, promoting education and other social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central and State Govt. funds for socio-economic development and relief etc. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs 9.80. The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs 10.00 (previous year Rs 9.02)

CSR Activities	In Cash	Yet to be paid in cash	Total
(1) Construction / acquisition of any asset	-	-	-
(2) On purposes other than (1) above :			
Current year	10.00	-	10.00
Previous year	9.02	-	9.02

31 Contingent liabilities and commitments (to the extent not provided for)

	31 March 2022	31 March 2021
Guarantees given by bank on behalf of company	160.33	122.17
Capital commitment (net of advances)	22.27	4.70
Income tax demand in respect of earlier years under dispute (refer note a)	37.07	53.80
VAT CST demand in respect of earlier years under dispute (refer note b)	5.63	5.63
Statutory bonus (also refer note no.c)	8.06	8.06

Notes

a Income Tax demand in respect of earlier years

Period to which the amount relates	Demand (Rs)		Particulars
	31 March 2022	31 March 2021	
A.Y 2002-03	3.06	3.06	Demand due to disallowance of deduction u/s 10A. Appeal pending at High court, New Delhi
A.Y 2006-07	19.47	19.47	Demand due to disallowance of deduction u/s 10A. Income Tax Appellate Tribunal set aside order of Commissioner of Income Tax-Appeals. Matter pending at Jurisdictional Assessing Officer.
A.Y 2007-08	-	16.73	Demand due to disallowance of deduction u/s 10A. Commissioner of Income Tax-Appeals allowed the deduction u/s 10A claimed by the Company. Income Tax dept. filed appeal with Income Tax Appellate Tribunal which dismissed the Department's appeal and upheld order of Commissioner of Income Tax-Appeals. Order Giving Effect is awaited from Jurisdictional Assessing Officer.
A.Y 2008-09	1.31	1.31	Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax-Appeals
A.Y 2009-10	9.93	9.93	Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax-Appeals
A.Y 2017-18	3.30	3.30	Demand due to disallowance of depreciation on Goodwill. Appeal pending at Commissioner of Income Tax-Appeals.
	37.07	53.80	

b VAT CST demand in respect of earlier years under dispute (refer note b)

Period to which the amount relates	Demand (Rs)		Particulars
	31 March 2022	31 March 2021	
F.Y 2012-13	5.63	5.63	Demand due to taxability of Service Revenue under VAT Act. The appeal is pending at Joint Commissioner of Sales Tax Appeals

c During the year ended March 31, 2016, Payment of Bonus Act, 1965 ('the Act') has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2016) is required to be paid to the eligible employees. Based on stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1.4.2014 in respect of statutory bonus has not been recognised and treated as contingent liability.

Notes to the Standalone financial statements (Continued)
for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

32 Earnings in foreign currency (accrual basis)	31 March 2022	31 March 2021
Software development services, products, annual maintenance services	1,032.45	608.50
Foreign dividend income from foreign subsidiaries	99.93	-
Total	<u>1,132.38</u>	<u>608.50</u>

33 Expenditure in foreign currency (accrual basis)	31 March 2022	31 March 2021
Travelling expenses	49.52	46.00
Commission on sales	34.57	12.05
Computer expenses	-	7.08
Software development and maintenance services	54.09	49.90
Recruitment expenses	-	0.46
Legal and professional fees	-	0.21
Total	<u>138.18</u>	<u>115.70</u>

34 Leases

Operating lease

The lease rental for office premises, guest house and godown charged to statement of profit and loss aggregates to Rs. 53.03 (previous year)
Future minimum lease commitments in respect of non-cancellable operating leases:

	31 March 2022	31 March 2021
Not later than one year	29.41	-
Later than one year and not later than five years	168.11	-

35 Payments to auditors (excluding GST)	31 March 2022	31 March 2021
As Auditor	3.55	3.10
For other services	0.73	0.70
For Out of pocket expenses	0.18	0.09
	<u>4.46</u>	<u>3.89</u>

Notes to the Standalone financial statements (Continued)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

36 Disclosure under Micro Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which came into force from 2 October 2006, and on the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small enterprises:

Particulars	31 March 2022	31 March 2021
The amount remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	18.26	3.41
-Interest	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of	-	-
amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act,	-	-

37 Ratios

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	4.21	5.09	-17%
Debt-Equity Ratio (in times)	Debt consists of borrowings and lease liabilities	Total equity	0.00	0.00	0%
Debt Service Coverage Ratio (in times)	Earnings for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt Service= Interest and lease payments + Principal repayments	0.00	0.00	0%
Return on Equity Ratio (in %)	Profit for the year less Preference Dividend (if any)	Average total equity	0.23	0.14	65%
Trade Receivables	Revenue from Operations	Average trade receivables	2.11	2.11	0%
Trade Payables	Cost of services + other expenses	Average trade payables	4.80	4.63	4%
Turnover Ratio (in Net Capital Turnover Ratio (in times)	Revenue from Operations	Average working capital (i.e. Total Current Assets less Total Current Liabilities)	1.50	1.54	-3%
Net Profit Ratio(in %)	Profit for the year	Revenue from Operations	19.17%	11.45%	67%
Return on capital employed (in %)	Profit before Tax and finance costs	Capital employed = Net worth+ Lease liabilities+Deferred tax liabilities	27.90%	19.00%	47%
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	1.73%	3.52%	-51%

Explanation to variance in Ratios:

- 1 Return on Equity Ratio has increased in current year due to increase in Profit after Tax by 80% mainly due to higher Software License revenues during the year.
- 2 Net Profit Ratio has increased in current year due to increase in Revenue from operations by 13% mainly due to increase in Software License Sales and SaaS Revenues and decrease in Cost of Services and Other expenses by 9%
- 3 Return on capital employed has increased in current year due to increase in Profit Before Tax by 68%.
- 4 Return on Investments has decreased in current year due to increase in Current investment and lower redemptions during the current year.

Notes to the Standalone financial statements (*Continued*)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

38 Borrowings on the basis of Security of Current Assets

Summary of reconciliation of quarterly statements of current assets filed by the Company with Banks are as below

Quarter	Name of the Bank	Trade receivables		Difference
		Amount as per books of accounts	Amount as reported in Quarterly return/statement	
Jun-21	The Hongkong and Shanghai Banking Corporation Limited	492.36	669.74	177.38

Quarter	Name of the Bank	Trade Payable		Difference
		Amount as per books of accounts	Amount as reported in Quarterly return/statement	
Jun-21	The Hongkong and Shanghai Banking Corporation Limited	20.21	18.12	(2.09)
Sep-21	The Hongkong and Shanghai Banking Corporation Limited	54.45	52.66	(1.79)

The variance is on certain quarter end adjustments made after the date of filing of returns with the banks. The returns and statements are subsequently rectified by the Company.

39 Transfer Pricing

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation as per independent accountant's report for the year ended 31 March, 2021. Based on the above, the Company's management believes that the Company's international transactions with the related parties post 31 March, 2022 continue to be at arms length and that the aforesaid legislation will not have any impact on the Standalone financial statements, particularly on the amount of tax expense and that of the provision for taxation.

40 Bad Debts

Bad debts written off during the previous year, includes an amount pertaining to trade receivable written off towards full and final settlement, vide a mutual consent agreement signed.

Notes to the Standalone financial statements (*Continued*)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

41 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) the Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- (viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (x) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (xi) The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

42 Other Notes

- (i) In view of the recent amendments made in schedule III of the Companies Act 2013, below changes have been done in the comparative period (as at March 31, 2021).

Regrouped	Regrouped from	Regrouped to	Amount in Rs.
Security deposits	Loans & Advances-Short Term	Other Current Assets	29.71
Security deposits	Loans & Advances-Long Term	Other Non-Current Assets	6.33
Unbilled Revenue	Unbilled Revenue	Trade receivables-unbilled	404.76
Unbilled Revenue-Intercompany	Unbilled Revenue-Intercompany	Trade receivables-unbilled Intercompany	476.58

Notes to the Standalone financial statements (*Continued*)

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

43 COVID-19 Impact

The World Health Organization in February 2020 declared outbreak of Coronavirus (COVID -19) as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments in India and across the world have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's offices had to be closed down / operate under restrictions for a considerable period of time during the year. More recently, the next wave of the pandemic has impacted India and the Company is monitoring the situation closely taking into account the increasing level of infections in India and across the world and directives from the various Governments.

Management believes that it has considered all the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, and the net realisable values of other assets. At this stage, the Company considers it is in a position, notably due to its digital capabilities, to ensure continuity of services currently demanded by its clients. However, the Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Given the effect of these lockdowns / restrictions on the overall economic activity, the impact assessment of COVID-19 on the financial statements is subject to estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements.

44 Other Information

Information with regard to other matters, as required by Schedule III to the act is either nil or not applicable to the company for the year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

Jitendra Vaishnav
Partner
Membership No: 123636

Rahul Bhasin
Chairman
[DIN: 00236867]

Rajesh Mirjankar
Managing Director
[DIN: 03594206] [Membership No: ACA 100377]

Kankesh Kamath
Chief Financial Officer

Mumbai
16 September 2022

Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]

Independent Auditor's Report

To the Members of Infrasoft Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Infrasoft Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (*Continued*)

Infrasoft Technologies Limited

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Management and Board of Directors companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors companies are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors companies are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter(s)

- a. We did not audit the financial statements of seven subsidiaries and one step down subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 1,846.40 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs. 1,637.60 million and net cash out flows (before consolidation adjustments) amounting to Rs. 96.10 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/step-down subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries/step-down subsidiary is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and step-down subsidiary located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and step-down subsidiary located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - f. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.
 - c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2022.
 - d (i) The respective management of the Holding Company has represented to us that, to the best of

Independent Auditor's Report (*Continued*)

Infrasoft Technologies Limited

their knowledge and belief, as disclosed in the Note 38 (iv) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 38 (v) to the consolidated financial statements, no funds have been received by the Holding Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or
- provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement.

e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197 (16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jitendra Vaishnav

Partner

Place: Mumbai

Membership No.: 123636

Date: 16 September 2022

ICAI UDIN:22123636ASOPFS7004

Annexure A to the Independent Auditor’s Report on the Consolidated Financial Statements of Infrasoft Technologies Limited for the year ended 31 March 2022

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

(xxi) According to the information and explanation given to us and based on our examination, there is no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor’s Report) Order, 2020 of the Holding Company has unfavourable answers or qualifications or adverse remarks.

S No.	Name	CIN	Holding Company/Subsidiary Company/Associates/ Joint venture	Clause number of CARO report which is qualified or adverse
1.	Infrasoft Technologies Limited	U72900MH1995PLC135094	Holding company	Clause (ii) (b), (iii) (a), (iii) (c), (iii) (d), (iii) (e), (iii) (f)

For B S R & Co. LLP

Chartered Accountants

Firm’s Registration No.:101248W/W-100022

Jitendra Vaishnav

Partner

Place: Mumbai

Membership No.: 123636

Date: 16 September 2022

ICAI UDIN:22123636ASOPFS7004

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Infrasoft Technologies Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(e) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of Infrasoft Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Infrasoft Technologies Limited for the year ended 31 March 2022 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Jitendra Vaishnav

Partner

Place: Mumbai

Membership No.: 123636

Date: 16 September 2022

ICAI UDIN:22123636ASOPFS7004

Consolidated Balance Sheet

as at 31 March 2022

(Currency: Indian Rupees in millions)

	Note	31 March 2022	31 March 2021
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	76.41	76.41
Reserves and surplus	4	3,159.99	2,764.09
		<u>3,236.40</u>	<u>2,840.50</u>
Non-current liabilities			
Other long -term liabilities	5	4.16	-
Long-term provisions	6	-	19.49
		<u>4.16</u>	<u>19.49</u>
Current liabilities			
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	7	18.26	3.41
- total outstanding dues of creditors other than micro enterprises and small enterprises	7	347.22	272.09
Other current liabilities	5	465.75	345.08
Short-term provisions	6	79.11	63.93
		<u>910.34</u>	<u>684.51</u>
TOTAL		<u><u>4,150.90</u></u>	<u><u>3,544.50</u></u>
ASSETS			
Non-current assets			
Property, plant and equipment	8	181.05	86.37
Intangible assets	9 (a)	4.90	1.89
Goodwill on consolidation	9 (b)	95.18	96.65
Non-current investments	10	0.05	0.05
Deferred tax assets	11	25.73	34.47
Long-term loans and advances	12	267.98	201.27
Other non-current assets	13	48.83	31.66
		<u>623.72</u>	<u>452.36</u>
Current assets			
Current investments	14	522.71	120.85
Trade receivables	15		
- Billed	15 (a)	503.72	707.22
- Unbilled	15 (b)	1,249.45	808.41
Cash and bank balances	16	716.44	1,066.40
Short-term loans and advances	12	134.06	95.70
Other current assets	17	400.80	293.56
		<u>3,527.18</u>	<u>3,092.14</u>
TOTAL		<u><u>4,150.90</u></u>	<u><u>3,544.50</u></u>

Significant accounting policies

Notes to the financials statements

The notes referred to above form an integral part of the consolidated financial statements.

As per our report of even date attached.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

Jitendra Vaishnav

Partner

Membership No: 123636

Rahul Bhasin

Chairman

[DIN: 00236867]

Rajesh Mirjankar

Managing Director

[DIN: 03594206]

Kankesh Kamath

Chief Financial Officer

[Membership No: ACA 100377]

Mumbai

16 September 2022

Meet Bhagat

Company Secretary

[Membership No: ACS 20518]

Mumbai

16 September 2022

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

	<i>Note</i>	31 March 2022	31 March 2021
Revenues			
Revenue from operations	18	3,672.38	3,310.96
Other income	19	14.53	34.19
Total revenue		3,686.91	3,345.15
Expenses			
Cost of services rendered	20	524.68	573.25
Employee benefits expense	21	1,750.16	1,542.48
Depreciation and amortisation expense	22	36.08	33.89
Other expense	23	605.55	671.26
Total expenses		2,916.47	2,820.88
Profit before taxation		770.44	524.27
Tax expenses:			
Current tax		163.90	90.80
Short provision of prior years		0.39	16.82
MAT credit Utilisation		-	36.74
Prior years MAT (entitlement)/reversal		-	(8.80)
Deferred tax charge-current year		8.81	6.20
Profit for the year		597.33	382.51
Earnings per equity share			
Nominal value of share : Rs. 10 (31 March 2021 : Rs. 10)	24		
Basic		78.17	50.06
Diluted		78.04	49.97
Significant accounting policies			
Notes to the financials statements	2		
The notes referred to above form an integral part of the consolidated financial statements.	3-41		

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

Jitendra Vaishnav
Partner
Membership No: 123636

Rahul Bhasin
Chairman
[DIN: 00236867]

Rajesh Mirjankar
Managing Director
[DIN: 03594206]

Mumbai
16 September 2022

Kankesh Kamath
Chief Financial Officer
[Membership No: ACA 100377]
Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]

Consolidated Cash Flow Statement

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
A. Cash flow from operating activities		
Net Profit before taxation	770.44	524.28
Adjustments for:		
Interest income	(4.65)	(4.37)
Profit on sale of investments	(3.04)	(1.60)
Provision for bad and doubtful debts provided	2.52	(35.63)
Depreciation and amortisation expense	36.08	33.88
Deposit written off	1.51	5.73
Bad debts written off	16.50	214.65
Provision for doubtful deposits	-	(5.23)
Unbilled revenue written off	20.56	96.26
Unrealised foreign exchange (gain)/loss	(2.31)	7.91
Foreign currency translation reserve	29.29	0.06
Operating profit before working capital changes	866.90	835.95
Movement in working capital		
(Increase) / Decrease in trade receivables	(277.12)	95.44
(Increase) / Decrease in loans and advances	(121.08)	44.78
(Increase) in other current assets and non-current assets	(126.24)	(235.88)
(Decrease) / Increase in provisions	(8.80)	16.58
Increase/(Decrease) in trade payables	89.98	(58.94)
Increase in other current and non-current liabilities	119.10	50.87
Cash generated from operations	542.75	748.80
Taxes paid, net	(143.79)	(82.03)
Net cash generated from operating activities	398.96	666.77
	(A)	
B. Cash flow from investing activities		
Purchase of property, plant and equipment, net of capital advance	(128.25)	(34.08)
Proceeds from sale of property, plant and equipment	0.18	-
Investment in fixed deposits	(184.09)	(178.02)
Proceeds from fixed deposits matured	174.48	148.69
Purchase of current investments	(750.00)	(287.50)
Proceeds from sale of current investments	351.18	189.10
Interest received	3.42	5.20
Net cash (used) in investing activities	(533.08)	(156.60)
	(B)	
C. Cash flow from Financing Activities		
Dividend paid	(229.25)	-
Net cash (used) in financing activities	(229.25)	-
	(C)	
Net increase in cash and cash equivalents	(363.37)	510.17
	(A+B+C)	
Effect of exchange differences on cash and cash equivalents held in foreign currency	2.25	(5.13)
Cash and cash equivalents at the beginning of the year	968.23	463.18
Cash and cash equivalents at the end of the year	607.11	968.23

Consolidated Cash Flow Statement

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

Notes :

- 1) The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 "Cash Flow Statements", notified under section 133 read with rule 7 of Companies (Accounts) Rules, 2013.

	31 March 2022	31 March 2021
2) Reconciliation of cash and cash equivalents:		
Cash and cash equivalents comprise of:		
Cash on hand	0.01	0.01
- in current accounts	606.99	968.18
- in current accounts (for dividend)	0.11	0.04
Cash and Cash equivalents	607.11	968.23

- 3) Figures in brackets represents outflow of cash and cash equivalents.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
[CIN No: U72900MH1995PLC135094]

Jitendra Vaishnav
Partner
Membership No: 123636

Rahul Bhasin
Chairman
[DIN: 00236867]

Rajesh Mirjankar
Managing Director
[DIN: 03594206]

Mumbai
16 September 2022

Kankesh Kamath
Chief Financial Officer
[Membership No: ACA 100377]
Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

1 Background of Company

Infrasoft Technologies Limited ('the Company') was incorporated on 6 July 1995.

Infrasoft Technologies Limited offers software products, solutions and services for banks and financial institutions in India, United Kingdom, Middle East, United States, Singapore, Canada, Malaysia and Jersey. It offers the following products and solutions:

- Core Banking Solution that creates new business models for banks to provide integrated process and data solutions;
- Wealth Management framework that offers a platform for wealth management services for private banks, asset managers, fund managers, trusts, insurance firms, brokerages and banks;
- Anti Money Laundering software - a business intelligence driven logical data model that addresses compliance requirements of banks, insurance firms, money exchanges and other financial institutions.
- Islamic Banking Solution for retail banking, wholesale banking, investment banking and funds management; and
- Micro finance Microfinance Solution provides a fully integrated application that addresses the entire life-cycle of lending process from origination, servicing and collection and recovery.
- InfrasoftTech provides digital solutions in the payment space for mobile banking, unified payment interface(UPI) and other system interfaces for bank's core banking and other transactions systems to connect with all the services delivery channels. Infrasofttech payment solutions connects to the national & international payment gateways to provide homogeneous integration of the customer banks to the global payment systems. InfrasoftTech also provides custom digital solutions to its Clients based on the their need which are based on cutting edge software technology platforms.

The Company also provides eChannel integrator, which enables delivery of services through various electronic channels, such as internet, peer to peer links, mobile, and gateways. In addition, it offers framework based solutions, migration services, testing services, offshore development and onshore integration services and managed services to provide application support and enhancement. Further, the Company provides application development services in the areas of business analysis, prototyping, solution architecting, design, development, validation, verification, solution deployment, and ongoing support and enhancements, as well as offers consulting services.

The list of subsidiaries with percentage holding is summarized below:

Subsidiaries	Country of incorporation and other particular	Percentage of holding by the immediate parent
1) Infrasoft Technologies FZ LLC	United Arab Emirates	100%
2) Infrasoft Technologies Pte. Limited	Singapore	100%
3) Infrasoft Technologies SDN BHD.	Malaysia	100%
4) Infrasoft Technologies Inc.	United states of America	100%
5) Infrasoft Technologies Limited (UK)	United Kingdom	100%
6) Infrasoft Technologies (Jersey) Limited	Jersey	100%
7) InfrasoftTech Canada Limited	Canada	100%
8) Infrasoft Technologies Guernsey Limited	Guernsey	100%

2 Summary of significant accounting policies

2.1 Basis of preparation

These consolidated financial statements of Infrasoft Technologies Limited and its subsidiaries (as listed in note 1 above) (collectively the 'Company' or 'the Group'), are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP), under the historical cost convention, on the accrual basis, comply with Accounting Standards prescribed in the Companies (Accounting standards) Rules, 2006 which continued to apply under Section 133 of the Companies Act, 2013 ('the Act'). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees.

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2.2 Basis of consolidation

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed under AS 21- 'Consolidated Financial Statements' for the purpose of preparation and presentation of consolidated financial statements. The financial statements of Infrasoft Technologies Limited and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/ transactions and resulting unrealised profits in full. Unrealised losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered. The consolidated financial statements are prepared using uniform accounting policies for transactions and other similar events in similar circumstances across the group.

2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Generally Accepted Accounting Principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of income and expenses for the period. Management believes that the estimates made in the preparation of these consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in current and future periods.

2.4 Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or

it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a. it is expected to be settled in the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents, generally twelve month is considered as operating cycle.

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (Continued)

2.5 Revenue recognition

- a) Revenue on sale of products is recognised on delivery or installation of license as per the terms set out in the contract. Revenue on implementation and customisation services is recognised on achievement of the respective milestone based on percentage of completion.

Revenue from sale of license is recognised upon activation of license upon order confirmation. The fair value of license is estimated as 40% of the total contract value.

- b) Revenue from software operations:

Revenue from software development and software related services which are based on time and material are recognised as an when the related services are rendered. Revenue from software development and software related services on fixed price contracts are recognised based on proportionate completion method.

Revenue recognition for digital business is based on transaction.

In case of fixed price development contracts, revenue is recognised on the basis of percentage of completion of the project that represents proportion of work completed and is certified by management. Billing to the customers is done based on milestones achieved as specified in the contracts. Revenue from software operations also includes work completed but not billed which is classified as 'unbilled revenue' and is included in 'Trade Receivables-Unbilled & 'Other current assets', while billing in advance is classified as 'Billing in advance' in 'Other current liabilities'.

- c) Revenue from maintenance services is recognised over the term of the contract on a straight line basis.

- d) Interest income:

Interest and other income are accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis.

- e) Dividend income:

Revenue is recognised when the Company's right to receive payment is established at the Balance Sheet date.

2.6 (a) Property, plant and equipment (tangible assets)

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Cost includes freight, duties, taxes and incidental expenditure relating to the acquisition and installation of property, plant and equipment incurred up to the date the asset is ready for its intended use.

Capital work-in-progress includes the cost of property, plant and equipment that are not ready to use at the Balance Sheet date.

Leasehold improvements are written off from the date put to use over the remaining period of primary lease.

Depreciation on fixed assets is provided pro rata for the period of use based on management's best estimate of useful lives of the assets. The useful life of the assets consider for depreciation is as summarised below:

Goodwill on consolidation Annual impairment test whenever there is indication that goodwill may be impaired. Leasehold improvement to be amortized over the lesser of the period of lease and the useful life of the asset.

Estimated useful life	Current years
Computer equipments (including servers)	3 - 6 years
Furniture and fixture	10 years
Office equipment	5 years
Electrical and fittings	10 years
Vehicles	8 years
Leasehold improvements	To be amortized over the lesser of the period of lease and

Depreciation on property, plant and equipment is provided on the straight-line method over the useful life of assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged.

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (*Continued*)

(b) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates.

Intangible assets are amortised on the straight line method at the following rates:

Goodwill arising on account of business purchase is amortized over period of 4 years.

Customers contract is amortised over period of 3 years.

Software license is amortised over period of 3 years.

2.7 Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to the present value using the weighted average cost of capital. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes.

2.8 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long term investments.

Long term investments are carried at cost. Provision for diminution, is made to recognize a decline, other than temporary, in the value of long term investments and is determined separately for each individual investment. The fair value of a long term investment is ascertained with reference to its market value, the investee's assets and results and the expected cash flows from the investment. Current investments are carried at lower of cost and market value of each investment individually.

2.9 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the carrying value of the identifiable assets and liabilities of the subsidiary recognized at the date of acquisition. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the cash-generating unit that is expected to benefit from the synergies of the business combination. Cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized in goodwill is not reversed in a subsequent period.

2.10 Leases

Operating lease

Lease rentals under an operating lease, are recognized as an expense in the Statement of Profit and Loss on a straight line basis

Finance lease

Assets acquired under finance lease have been recorded as an asset and liability at the inception of the lease and have been recorded at an amount equal to lower of fair value of the leased asset and the present value of the future minimum lease payments.

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (*Continued*)

2.11 Foreign currency translations

Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the profit and loss

Monetary assets and liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the profit and loss account. Non-monetary foreign currency items are carried at cost.

Translation of foreign operations

For translating the financial statements of foreign subsidiaries, these are classified into 'integral' and 'non integral' foreign operation.

Integral foreign operations are those which carry on their business as if they were an extension of the Company's operation. Other foreign operations are classified as non-integral.

The financial statements of an integral foreign operation are translated into Indian rupees as if the transaction of the foreign operation were those of the Company itself.

In the case of a non integral foreign operation, the assets and liabilities, both monetary and non-monetary, are translated at the closing exchange rate and income and expense items are translated at average rate during the year. The resulting exchange differences are accumulated in foreign currency translation reserve. On the disposal of non-integral foreign operation, the cumulative amount of foreign currency translation reserve, which pertains to that operation, is recognised as income or expense.

The functional currency of Infrasoft India Limited is the Indian Rupee. The functional currency for subsidiaries is US Dollars (USD), Great Britain Pounds (GBP), Malaysian Ringgits (MYR), Arab Emirates Dirhams (AED), Canadian Dollars (CAD). The translation of financial statements of non integral subsidiaries from the local currency to functional currency is performed for assets and liabilities using the rate prevailing at the date of the balance sheet. The items in the Statement of Profit and Loss account are translated at the average exchange rate during the year. Goodwill arising on the acquisition of non-integral operations is translated at exchange rates prevailing at the date of the Balance Sheet. The difference arising out of the translations are transferred to foreign currency translation reserve under reserves and surplus.

2.12 Employee benefits

Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year.

Post-employment benefits

Defined contribution plans:

The Company's contribution towards employee's provident fund and employee state insurance scheme are defined contribution plans. The Company's contribution paid/payable under the schemes is recognised as expense in the Statement of Profit and Loss during the year in which the employee renders the related service. The Company makes specified monthly contributions towards employee provident fund and employee state insurance scheme.

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2 Significant accounting policies (Continued)

2.12 Employee benefits (Continued)

Defined benefit plans:

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows.

The discount rates used for determining the present value of the obligation under defined benefit plans, are based on the market yields on Government securities as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss. The obligation under the defined benefit plan is measured after taking into account changes in legislation as have been enacted up to the Balance Sheet date.

Other long-term employment

Company's liabilities towards compensated absences to employees are determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss.

2.13 Income Taxes

Income-tax expenses comprise current tax and deferred tax charge or credit.

Current Taxes

Provision for current income-tax is recognised in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019 to provide an option to domestic companies to pay income-tax at a concessional rate. The Company has elected to apply the concessional tax from 1 April 2021 onwards.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result from differences between the profits offered for income taxes and the profits as per the Standalone financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the Balance Sheet date. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

2.14 Earnings per share ('EPS')

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earning per share, and also the weighted average number of equity shares which may be issued on conversion of all dilutive potential shares, unless the results would be anti – dilutive.

Notes to the Consolidated financial statements

for the year ended 31 Mar 2022

(Currency: Indian Rupees in millions)

2.15 Employee stock options

The Company applies the Guidance Note on “Accounting for Employee Share based Payments” issued by the Institute of Chartered Accountants of India (‘ICAI’) to account for costs related to the stock option plan. Accordingly, compensation expense as determined on the date of the grant is amortised over the vesting period. The Company follows intrinsic value method to calculate the value of the stock options.

2.16 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around Infrasoft’s work centre and further results in enhancing the quality of life and economic well being of the local populace, express commitment to the social development good through responsible business practices and good governance, engage with state and its agencies in pursuing the development agenda for sustainable change for its CSR activities. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013.

2.17 Provisions, contingent liabilities and contingent assets

A provision is recognised if, as a result of past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Contingencies

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the Standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

3 Share capital

a) Authorised share capital

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each	11,000,000	110.00	11,000,000	110.00
	11,000,000	110.00	11,000,000	110.00

b) Issued, subscribed and paid up capital

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each	7.64	76.41	7,641,585	76.41
	7.64	76.41	7,641,585	76.41

c) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	7.64	76.41	7.64	76.41
Balance at the end of the year	7.64	76.41	7.64	76.41

d) Rights and restriction attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting right of an equity shareholder on a poll (not on show of hands) is in proportion to its share of the paid-up equity capital of the Company. Voting right cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity held.

e) Shareholders holding more than 5% of the shares

	31 March 2022		31 March 2021	
	Number of share	% shareholding	Number of share	% shareholding
Baring India Private Equity Fund II	4,448,008	58.21%	4,448,008	58.21%
Batlivala and Karani Securities India Private Limited	706,250	9.24%	706,250	9.24%
Rashmi Agarwal	465,000	6.09%	465,000	6.09%
Rajesh Mirjankar	417,893	5.47%	417,893	5.47%
Maninder Mahabir Singh	414,101	5.42%	414,101	5.42%
Manoj Murarka	397,956	5.21%	397,956	5.21%
	6,849,208	89.63%	6,849,208	89.63%

f) Disclosure of Shareholding of Promoters

	31 March 2022		31 March 2021		% change during the year
	Number of shares	% shareholding	Number of shares	% shareholding	
Batlivala and Karani Securities India Private Limited	706,250	9.24%	706,250	9.24%	0.00%
Rashmi Agarwal	465,000	6.09%	465,000	6.09%	0.00%
Rajesh Mirjankar	417,893	5.47%	417,893	5.47%	0.00%
Maninder Mahabir Singh	414,101	5.42%	414,101	5.42%	0.00%
Manoj Murarka	397,956	5.21%	397,956	5.21%	0.00%
Global Fintech Private Limited	350,000	4.58%	350,000	4.58%	0.00%
Rohit Agarwal	150,000	1.96%	150,000	1.96%	0.00%
Jai Rahul Agarwal	66,707	0.87%	66,707	0.87%	0.00%
Priya Agarwal	50,000	0.65%	50,000	0.65%	0.00%
Shaina Rahul Agarwal	15,000	0.20%	15,000	0.20%	0.00%
	-	3,032,907	3,032,907	39.69%	0.00%

g) Shares reserved for issue under options

The Company had reserved issuance of 96,500 (previous year 96,500) equity shares of Rs.10 each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (Also, refer note 27)

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
4 Reserves and surplus		
Capital redemption reserve		
Balance at the beginning of the year	7.16	7.16
Balance at the end of the year	<u>7.16</u>	<u>7.16</u>
Securities premium account		
Balance at the beginning of the year	28.50	28.50
Balance at the end of the year	<u>28.50</u>	<u>28.50</u>
General reserve		
Balance at the beginning of the year	65.88	65.88
Balance at the end of the year	<u>65.88</u>	<u>65.88</u>
Foreign exchange fluctuation reserve		
Balance at the beginning of the year	225.70	218.21
Add : Exchange difference on consolidation of non-integral subsidiaries accounts	27.82	7.49
Balance at the end of the year	<u>253.52</u>	<u>225.70</u>
Surplus in the Statement of Profit and Loss account		
Balance at the beginning of the year	2,436.85	2,054.34
Add : Transferred from Statement of Profit and Loss	597.33	382.51
Less : Interim dividend paid during the year	229.25	-
Balance at the end of the year	<u>2,804.93</u>	<u>2,436.85</u>
Total	<u><u>3,159.99</u></u>	<u><u>2,764.09</u></u>

5 Other liabilities

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Advances from customers	-	-	1.81	4.32
Billing in advances	-	-	195.36	141.86
Other payables				
Employee related payables	-	-	110.13	91.06
Creditors for capital goods	-	-	8.05	2.32
Rent equilisation reserve	4.16	-	0.48	1.59
Payable to authorities :				
Tax deducted at source payable	-	-	26.58	16.65
Employees provident fund, ESIC and others	-	-	8.64	7.04
Value added tax and other tax payable	-	-	114.58	80.18
Unpaid dividend	-	-	0.12	0.06
	<u>4.16</u>	<u>-</u>	<u>465.75</u>	<u>345.08</u>

6 Provisions

	Long-term		Short-term	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Provision for employee benefits				
Provisions for gratuity * (refer note 26)	-	19.49	33.33	31.07
Provision for leave encashment (refer note 26)	-	-	35.98	27.56
Other provisions				
Provision for tax (Net advance tax of Rs. 115.80 and previous year of Rs. 108.79)	-	-	9.80	5.30
	<u>-</u>	<u>19.49</u>	<u>79.11</u>	<u>63.93</u>

* Provision for gratuity (long term) is net off contribution of Rs.45.16 (previous year Rs. 9.02) paid to LIC Gratuity Fund

Notes to the consolidated financial statements (Continued)
as at 31 March 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
7 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note no.32)	18.26	3.41
Total outstanding dues of creditors other than micro enterprises and small enterprises	347.22	272.09
	365.48	275.50

Ageing of Trade Payables

Outstanding as on March 31, 2022:

Particulars	Outstanding for following periods from due date of payment				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	18.26	-	-	-	18.26
Others	312.41	20.38	6.55	7.88	347.22
Disputed Dues-MSME					-
Disputed Dues-Others					-
	330.67	20.38	6.55	7.88	365.48

Outstanding as on March 31, 2021:

Particulars	Outstanding for following periods from due date of payment				TOTAL
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.41	-	-	-	3.41
Others	210.57	48.34	8.92	4.26	272.09
Disputed Dues-MSME					
Disputed Dues-Others					
	213.98	48.34	8.92	4.26	275.50

Notes to the consolidated financial statements (Continued)
as at 31 March 2022

(Currency: Indian Rupees in millions)

8 Property, plant and equipment

Gross block	Electrical fittings	Computer and peripherals	Furniture and fixtures	Vehicles	Office equipments	Leasehold improvements	Total
Balance as at 31 March 2020	4.74	197.57	14.95	2.01	25.85	39.70	284.82
Additions	-	31.96	-	-	1.68	-	33.64
Translation	-	0.60	0.50	-	(0.01)	0.12	1.21
Balance as at 31 March 2021	4.74	230.13	15.45	2.01	27.52	39.82	319.67
Additions	13.41	52.22	8.91	-	17.16	37.19	128.88
Disposals	-	(6.57)	-	-	(1.74)	-	(8.31)
Translation	-	(0.12)	(0.09)	-	0.05	(0.03)	(0.19)
Balance as at 31 March 2022	18.15	275.66	24.27	2.01	42.99	76.98	440.05
Accumulated depreciation							
Balance as at 31 March 2020	4.45	125.75	10.88	0.13	23.72	38.30	203.23
Depreciation	0.29	25.51	0.85	0.25	1.09	1.03	29.03
Translation	-	0.59	0.39	-	(0.02)	0.07	1.03
Balance as at 31 March 2021	4.74	151.85	12.12	0.38	24.79	39.40	233.29
Depreciation	0.07	31.26	0.54	0.25	1.09	0.79	34.00
Reversal on disposal of assets	-	(6.57)	-	-	(1.56)	-	(8.13)
Translation	-	(0.10)	(0.07)	-	0.04	(0.03)	(0.16)
Balance as at 31 March 2022	4.81	176.44	12.59	1.63	24.36	40.16	259.00
Net block							
Balance as at 31 March 2021	0.00	78.28	3.33	1.63	2.73	0.42	86.37
Balance as at 31 March 2022	13.33	99.22	11.68	0.38	18.63	36.82	181.05

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

9 (a) Intangible asset

Gross block	Goodwill on merger	Customers	Software Licenses	Total
Balance as at 1 April 2020	80.40	108.90	46.22	235.52
Additions	-	-	1.09	1.09
Translation	-	-	0.01	0.01
Balance as at 31 March 2021	80.40	108.90	47.32	236.62
Additions	-	-	5.10	5.10
Translation	-	-	(0.00)	(0.00)
Balance as at 31 March 2022	80.40	108.90	52.42	241.72
Accumulated amortisation				
Balance as at 1 April 2020	80.40	108.90	40.57	229.87
Amortisation charge	-	-	4.86	4.86
Translation	-	-	0.01	0.01
Balance as at 31 March 2021	80.40	108.90	45.44	234.74
Amortisation charge	-	-	2.08	2.08
Translation	-	-	(0.00)	(0.00)
Balance as at 31 March 2022	80.40	108.90	47.51	236.81
Net block				
Balance as at 31 March 2021	-	-	1.89	1.89
Balance as at 31 March 2022	-	-	4.90	4.90

9 (b) Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Cash Generating Unit (CGU) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is indication for impairment. The financial projections basis which the future cash flows have been estimated consider the increase in economic uncertainties due to COVID-19, reassessment of the discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of a CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Goodwill consists of the Following :

	(Indian Rupees in Millions)	
	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	96.65	89.35
Translation exchange difference	(1.47)	7.30
Balance at the end of the year	95.18	96.65

Goodwill of 95.18 millions and 96.65 millions as at March 31, 2022 and 2021, respectively, pertains to the acquisition of the Infrasoft Jersey business Based in Jersey. The estimated value-in-use of this CGU is based on the future cash flows using a 2% (previous year 2%) annual growth rate for periods subsequent to the forecast period of 5 years and discount rate of 14.05% (previous year 14.94%). An analysis of the sensitivity of the computation to a change in key parameters (revenue growth and discount rates), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

10 Non-current investments

	31 March 2022		31 March 2021	
	Number of units	Amounts in Rs.	Number of units	Amounts in Rs.
Non-trade				
Investments in equity shares(unquoted)				
In others				
Thane Janata Sahakari Bank Limited (Shares of Rs. 50 each)	1,001	0.05	1,001	0.05
Jankalyan Sahakari Bank Limited (Shares of Rs. 10 each)	32	0.00	32	0.00
		<u>0.05</u>		<u>0.05</u>
		<u>0.05</u>		<u>0.05</u>
Aggregate amount of				
Unquoted investments at cost		0.05		0.05

31 March 2022 31 March 2021

11 Deferred tax assets

Deferred tax assets

Timing difference between book depreciation and as per Income Tax Act, 1961	0.65	6.73
Disallowances under section 43B of the Income tax Act, 1961	20.09	21.50
Provision for bad and doubtful debts and deposits	2.04	3.41
Unabsorbed business carried forward losses	1.78	2.37
Provision for rent equilisation	1.17	0.46
Deferred tax asset	<u>25.73</u>	<u>34.47</u>

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

12 Loans and advances

Unsecured, considered good

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
To parties other than related parties				
Advances recoverable in cash or kind or value to be received	56.35	0.90	38.61	40.14
Advance income taxes (Net of provision for tax of Rs. 361.81 and previous year of Rs. 414.83)	111.06	127.07	-	-
Income tax paid under protest	20.92	20.92	-	-
GST/service tax credit recoverable	-	-	35.59	13.72
VAT refund due	73.05	44.19	0.07	0.24
Advances to employees	-	-	32.15	11.18
Deferred revenue expenditure	6.60	8.19	6.23	22.16
Advances to suppliers	-	-	21.41	8.26
	267.98	201.27	134.06	95.70

31 March 2022 31 March 2021

13 Other non current assets

Security deposit (Unsecured)

Considered good

Considered doubtful

Less : Provision

28.07 9.35

0.60 0.60

(0.60) (0.60)

28.07 9.35

Bank deposits (due to mature after 12 months from the reporting date) (refer note.16)

20.76 22.31

48.83 31.66

14 Current investments

	31 March 2022		31 March 2021	
	Number of units	Amount in Rs.	Number of units	Amount in Rs.
Current investment				
Investments in mutual funds (non trade, unquoted) (lower of cost or market value)				
IDFC Government Securities Fund - Investment Plan	688,293	10.85	688,293	10.85
HDFC Credit Risk Debt Fund-Regular Plan-Growth L & T Liquid Fund Direct Plan(G)	722,011	10.00	722,011	10.00
ICICI Prudential Liquid Fund Growth Direct Plan	17,718	50.36	17,762	50.00
HDFC Liquid Fund-Direct Plan - Growth Plan	162,805	50.62	-	-
Nippon India Liquid Fund -Direct - Growth	11,952	50.00	-	-
DSP Liquidity Fund - Direct Plan - Growth	9,835	50.22	-	-
LIC MF Liquid Fund - Direct Plan (G)	17,024	50.00	17,024	50.00
Kotak Liquid Direct Plan Growth	13,058	50.00	-	-
SBI MF - Liquid Fund Growth Direct Plan	11,998	50.66	-	-
Axis MF - Liquid Fund Growth Direct Plan	15,092	50.00	-	-
UTI MF - Liquid Fund Growth Direct Plan	21,170	50.00	-	-
	14,339	50.00	-	-
Total unquoted investments		522.71		120.85
Aggregate amount of				
Book value of unquoted investments		522.71		120.85
Net Asset Value (NAV) of unquoted investment in mutual funds		542.38		128.63

*Lien against bank guarantee of Rs. 20.85 (previous year Rs. 20.85)

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Currency: Indian Rupees in millions)

31 March 2022 31 March 2021

15	Trade receivables		
15 (a)	-Billed		
	Unsecured		
	Outstanding for a period exceeding six months from the date they are due for payment		
	Considered good	29.63	266.23
	Considered doubtful	18.05	15.30
	Less : Provision for bad and doubtful debts	(18.05)	(15.30)
		(A)	<u>29.63</u> <u>266.23</u>
	Other receivables		
	Considered good	474.09	440.99
		(B)	<u>474.09</u> <u>440.99</u>
		(A) + (B)	<u><u>503.72</u></u> <u><u>707.22</u></u>
15 (b)	Unbilled		
	Trade receivables-unbilled	1,249.45	808.41
		<u>1,249.45</u>	<u>808.41</u>
		<u><u>1,753.17</u></u>	<u><u>1,515.63</u></u>

Ageing of Trade receivable:

Outstanding as on March 31, 2022:

Particulars	Outstanding for following periods form due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	422.56	25.17	16.87	29.75	9.37	503.72
(ii) Undisputed Trade Receivables- considered doubtful	9.41	0.13	1.19	2.00	5.32	18.05
(iii) Disputed Trade Receivables- considered good						
(iv) Disputed Trade Receivables- considered doubtful						
	431.97	25.30	18.06	31.75	14.68	521.77
Less : Provision for bad and doubtful debts						18.05
						503.72
Trade receivables - Unbilled						1,249.45
						1,753.17

Outstanding as on March 31, 2021:

Particulars	Outstanding for following periods form due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables- considered good	438.76	70.40	175.33	13.23	9.00	707.22
(ii) Undisputed Trade Receivables- considered doubtful	2.36	-	8.14	-	4.81	15.30
(iii) Disputed Trade Receivables- considered good						
(iv) Disputed Trade Receivables- considered doubtful						
	441.11	70.40	183.46	13.23	13.81	722.52
Less : Provision for bad and doubtful debts						15.30
						707.22
Trade receivables - Unbilled						808.41
						1,515.63

Notes to the consolidated financial statements (Continued)
as at 31 March 2022

(Currency: Indian Rupees in millions)

16 Cash and bank balances

	Non-current		Current	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Cash and cash equivalents				
Cash on hand	-	-	0.01	0.01
Balances with banks				
- in current accounts	-	-	606.99	968.18
- in current accounts (for dividend)	-	-	0.11	0.04
- in deposit accounts (with original maturity upto 3 months)	-	-	-	-
	-	-	607.11	968.23
Other bank balances*				
Deposits with maturity upto 3 months *	-	-	10.00	10.00
Deposits with maturity more than 3 months but less than 12 months*	-	-	99.33	88.17
Deposits with maturity more than 12 months*	20.76	22.31	-	-
	20.76	22.31	109.33	98.17
Less : Amounts disclosed as other non-current assets (refer note 13)	20.76	22.31	-	-
Total	-	-	716.44	1,066.40

*Lien against bank guarantee of Rs. 112.50 (previous year Rs. 64.90)

31 March 2022 31 March 2021

17 Other current assets

Security deposit (Unsecured)	24.23	29.71
Interest accrued on fixed deposit	2.71	1.47
Unbilled revenue	373.86	262.38
	400.80	293.56

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
18 Revenue from operations		
Sale of software product	2,473.20	2,134.81
Sale of services	1,199.18	1,176.15
	<u>3,672.38</u>	<u>3,310.96</u>
19 Other income		
Interest income from		
- Fixed deposits	4.65	4.37
Gain on foreign currency transaction (net)	1.30	-
Profit on sale of investments (net)	3.04	1.60
Interest on income tax refund	2.93	19.06
Miscellaneous income	0.00	1.40
Provision / liabilities no longer required, written back	2.61	7.76
	<u>14.53</u>	<u>34.19</u>
20 Cost of services		
Software development and maintenance services	308.92	312.31
Manpower cost	67.57	50.57
Computer hardware	148.19	210.37
	<u>524.68</u>	<u>573.25</u>
21 Employee benefits expense		
Salaries, wages and bonus	1,652.61	1,468.92
Contribution to gratuity (refer note 26)	22.80	12.00
Contribution to provident and other defined contribution funds	69.25	60.42
Staff welfare expenses	5.50	1.14
	<u>1,750.16</u>	<u>1,542.48</u>
22 Depreciation and amortisation expense		
Depreciation of property plant and equipment (refer note 8)	34.00	29.03
Amortisation of intangible assets (refer note 9)	2.08	4.86
	<u>36.08</u>	<u>33.89</u>

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

	31 March 2022	31 March 2021
23 Other expenses		
Electricity	6.83	6.55
Rent (refer note 31)	61.69	51.78
Repairs and maintenance - others	2.16	0.23
Insurance	31.43	22.22
Payments to auditors	9.09	8.09
Travelling and conveyance	123.86	102.51
Communication expenses	9.05	9.04
Business promotion	17.13	15.03
Legal and professional fees	29.36	24.22
Directors advisory fees	4.15	4.10
Selling and marketing expenses	167.66	62.46
Repair and maintenance	12.81	10.92
CSR expenditure (refer note 29)	10.00	9.02
Computer consumables	28.51	27.25
Unbilled revenue written off	20.56	96.26
Bad debts written off (refer note 36)	16.50	214.65
Deposits written off	1.51	5.73
Provision for doubtful debts (net of written off as Bad debts CY Rs.8.40 PY Rs.35.03)	2.52	(35.63)
Provision for doubtful deposits (net of Deposits written off CY Rs. Nil PY Rs.5.73)	-	(5.23)
Loss on foreign currency transaction (net)	1.96	5.84
Rates and taxes	10.36	12.08
Recruitment expenses	21.47	7.73
Miscellaneous expenses	16.94	16.41
	605.55	671.26

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

24 Earning per share (EPS)

Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

	31 March 2022	31 March 2021
Basic earning per share :		
Weighted average number of equity shares outstanding during the year	7,641,585	7,641,585
Net profit after tax attributable to equity shareholders (Amounts in Rs.)	597.33	382.51
Earning per share :	78.17	50.06
Diluted earning per share :		
Weighted average number of equity shares outstanding during the year	7,654,374	7,654,374
Net profit after tax attributable to equity shareholders (Amounts in Rs.)	597.33	382.51
Earning per share :	78.04	49.97

25 Related Party Disclosures :

a) Names of related parties and description of relationship

Relationship	Name
Related parties with whom the Company had transactions, etc.	
i) Key management personnel (KMP)	1) Mr. Rajesh Mirjankar 2) Mrs. Rashmi Agarwal 3) Mr. Rangan Mohan 4) Mr. Milind Chalisgaokar
ii) Enterprises where Directors having significant influence	5) S K Finance Ltd.

Transaction	Year ended	Year ended
	31 March 2022	31 March 2021
Software development income from enterprises where Directors having significant influence	0.73	0.84
Balance outstanding from enterprises where Directors having significant influence	0.16	0.12

Transaction	Year ended	Year ended
	31 March 2022	31 March 2021
Salaries and other employee benefits to whole-time directors and members of executive officers	19.46	16.32
Advisory fees to non-executive / independent directors	3.00	3.00
Total	<u>22.46</u>	<u>19.32</u>

The compensation payable to key managerial personnel, comprising directors and executive officers is as follows:

Transaction	Year ended	Year ended
	31 March 2022	31 March 2021
Mr. Milind Chalisgaonkar	-	0.83
Mr. Rangan Mohan	0.09	0.09

- c) As on 31 March, 2022, there is Travelling expenses due to Mr. Rajesh Mirjankar of Rs. 0.65 (P.Y. travel advance Rs.1.32) which have been paid subsequently.

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

26 Retirement benefits to employees

Gratuity

In accordance with Indian law, the Company provide for gratuity, a defined benefit retirement plan covering eligible employees in India. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment in an amount equivalent to 15 to 30 days salary payable for each completed year of service. The Company provides the gratuity benefit through annual contributions to fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company. Vesting occurs upon completion of five years of service subject to maximum payment of Rs.20 Lakhs. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date.

For one of its foreign subsidiary, employee benefits are provided in accordance with the contractual terms with the employees, subject to the minimum Labour law requirement of that country.

Changes in present value of obligations	31 March 2022	31 March 2021
a) Liability recognised in the balance sheet		
i) Present value of obligation		
Opening balance	59.57	50.47
Liabilities assumed in amalgamation		
Current service cost	12.66	8.72
Past service cost	-	-
Interest cost	2.75	2.44
Actuarial (gain)/ loss on obligations	8.21	0.35
Benefits paid	(4.98)	(2.26)
Forex Gain /Loss on translation of liability	0.27	(0.15)
Closing balance	78.49	59.57
ii) Fair value of plan assets		
Opening balance	9.02	5.40
Assets acquired in amalgamation	-	-
Expected return on plan assets	0.47	0.29
Employer's contributions	40.00	6.00
Actuarial (loss) on plan assets	0.60	(0.75)
Benefits paid	(4.92)	(1.91)
Closing balance	45.16	9.02
Net liability recognised in the balance sheet (i-ii)	33.33	50.56
b) Expenses recognised in statement of profit and loss		
Current service cost	12.66	8.72
Past service cost	-	-
Interest cost	2.75	2.44
Expected return on plan assets	(0.47)	(0.29)
Net actuarial (gain)/loss recognised during the year	7.62	1.10
Expenses recognised in statement of profit and loss	22.56	11.98
c) Break up of plan assets		
LIC of India - Insurer Managed Fund	100.00%	100.00%
d) Principal actuarial assumptions		
Rate of discounting	5.66%	5.18%
Expected return on plan assets	5.66%	5.18%
Rate of increase in basic salary	8.00%	8.00%
Attrition rate	25.00%	25.00%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Normal retirement age	60 years	60 years
** Past service cost paid directly by the Company and debited to Profit & Loss Account	0.24	0.02

Note: Gratuity for Infrasoft Technologies FZ LLC is calculated as per local applicable laws

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

26 Retirement benefits to employees (Continued)

Experience adjustments:

Particular	31 March 2022	31 March 2021	31 March 2020	31 March 2019	31 March 2018
(Loss):					
Experience adjustments on plan liabilities	8.21	0.35	(3.37)	(0.05)	4.08
Experience adjustments on plan assets	0.60	(0.75)	(0.35)	(0.29)	(0.58)

Provident Fund:

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the statement of profit and loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs.48.50 (31st March 2021: Rs.38.26)

Leave encashment

The Company recognised a charge of compensated absences of Rs.17.44 (Previous year reversal of Rs.12.14) under employee benefits expense in the statement profit and loss account.

27 Disclosures on Employee share based payments - Employee Stock Option Scheme

- 1) In conformity with the Guidance Note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India in respect of the grants made on or after 1 April 2005, the following disclosures are made:

Method adopted for valuation

Stock compensation expense has been determined under the "Intrinsic Value Method" and amortised over the vesting period.

- 1) The Company instituted ESOP 2011 scheme under which 268,000 stock options have been allocated for a grant to employees. The scheme was approved by our shareholders to grant maximum 275,000 stock options at the Extra Ordinary General Meeting held on 11 February 2011. These options vest over a period of four years from the date of the grant.

The vesting period shall be as follows:

First 20% of the Options Granted - On the completion of 12 months from the date of grant

Next 20% of the Options Granted - On the completion of 24 months from the date of grant

Next 30% of the Options Granted - On the completion of 36 months from the date of grant

Next 30% of the Options Granted - On the completion of 48 months from the date of grant

The following is the status of ESOP as at 31st March 2022

Particulars	As at		
	Numbers of shares	Exercise price	Fair Value
Outstanding at the beginning of the year Tranche I	27,000	190	185
Outstanding at the beginning of the year Tranche II	69,500	361	361
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Lapsed - Tranche I	-	-	-
Lapsed - Tranche II	-	-	-
Outstanding at the end of the year Tranche I	27,000	190	185
Outstanding at the end of the year Tranche II	69,500	361	361
Exercise at the end of the year	-	-	-

The following is the status of ESOP as at 31st March 2021

Particulars	As at		
	Numbers of shares	Exercise price	Fair Value
Outstanding at the beginning of the year Tranche I	27,000	190	185
Outstanding at the beginning of the year Tranche II	69,500	361	361
Granted	-	-	-
Exercised	-	-	-
Forfeited	-	-	-
Lapsed - Tranche I	-	-	-
Lapsed - Tranche II	-	-	-
Outstanding at the end of the year Tranche I	27,000	190	185
Outstanding at the end of the year Tranche II	69,500	361	361
Exercise at the end of the year	-	-	-

Notes to the consolidated financial statements (Continued)
for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

27 Disclosures on Employee share based payments - Employee Stock Option Scheme (Continued)

The Company follows Intrinsic method to account for employee stock options. The stock-based compensation cost calculated as per intrinsic value method for the financial year 2021-22 is Nil. The guidance note on "Accounting for Employee Share-based Payments" issued by The Institute of Chartered Accountants of India requires that the impact on the statement of profit and loss to be disclosed had fair valuation been followed. The Company has issued options to the employees at a price which is higher than fair value. Therefore, no provision or disclosure is made for employees compensation cost in the books of accounts.

	31 March 2022	31 March 2021
Profit for the year after taxation as reported	597.33	382.51
Add: Employee stock based compensation determined under the intrinsic value method	-	-
Less: Employee stock based compensation determined under the fair value method	-	-
Proforma Profit	597.33	382.51
Reported earnings per equity share of Rs. 10 each		
Basic	78.17	50.06
Diluted	78.04	49.97
Proforma earnings per equity share of Rs. 10 each		
Basic	78.17	50.06
Diluted	78.04	49.97

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

28 Segment Reporting :

The Business segment comprises of Products and Services related to Fin Tech digital solutions for the banking and financial sector. Revenue and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of revenue ratio. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Summarised segment information for the years ended March 31, 2022 and 2021 is as follows:

A) Primary Segment Reporting (By Business Segment) for the year ended 31 March, 2022

	Products	Services	Total
Sales	2,473.20	1,199.18	3,672.38
	2,134.81	1,176.15	3,310.96
Identifiable Operating Expenses	393.05	131.63	524.68
	404.96	168.28	573.24
Allocated Direct Expenses	1,061.53	688.64	1,750.17
	891.03	651.45	1,542.48
Segmental Operating Income	1,018.62	378.90	1,397.52
	838.82	356.42	1,195.24
Allocable Other Expenses	428.29	123.25	551.54
	390.94	93.22	484.16
Unallocable Other Expenses			90.08
			220.98
Other Operating Income and Other Income (Net)			14.53
			34.19
Total Profit before Interest & Tax			770.37
			524.29
Tax Expense			173.11
			141.77
Profit after Taxes			#REF!
			382.51
Assets			
Segment Assets	1,912.62	215.38	2,128.00
	1,591.38	186.63	1,778.01
Reconciliation to total assets			
Goodwill	-	95.18	95.18
		96.64	96.64
Investment	-	-	522.76
			120.90
Deferred Tax assets	-	-	25.72
			34.47
Unallocable assets	-	-	1,379.24
			1,514.46
Total assets			4,150.90
			3,544.49
Liabilities			
Segment liabilities	238.90	12.30	251.20
	123.67	15.28	138.94
Reconciliation to total liabilities			
Provisions	-	-	79.11
			83.41
Unallocable liabilities	-	-	1,244.78
			926.32
Total Liabilities			914.49
			703.99

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

B) Secondary Segment Reporting (Geographical Segment) for the year ended 31 March, 2022

	31 March 2022	31 March 2021
Revenue (by location of customers)		
India	1,856.88	1,886.71
United Kingdom	536.46	547.59
Middle east countries	146.26	241.43
North America	506.61	130.97
Rest of the world	626.16	504.26
Total	3,672.38	3,310.96

C) Secondary Segment Reporting (Geographical Segment) for the year ended 31 March, 2022

	Assets	Liabilities	Capital employed
Capital employed (by location of customers)			
India	922.11	189.34	
	<i>914.65</i>	<i>164.91</i>	
United Kingdom	63.29	53.39	
	<i>77.43</i>	<i>52.21</i>	
Middle east countries	111.27	743.04	
	<i>128.57</i>	<i>542.38</i>	
North America	570.01	8.59	
	<i>12.59</i>	<i>15.51</i>	
Rest of the world	265.42	30.67	
	<i>644.77</i>	<i>30.64</i>	
Segment total	1,932.11	1,025.53	906.57
	<i>1,969.73</i>	<i>748.22</i>	<i>1,221.51</i>
Unallocable net assets			2,329.34
			<i>1,618.99</i>
Capital employed			3,236.40
			<i>2,840.50</i>

Notes:

- 1) Previous year numbers are shown in italics.

29 Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around Infrasoft Technologies Limited. The major areas covered for CSR activities are environment sustainability, empowering women and promoting gender equality, poverty reduction, eradicating extreme hunger, promoting education and other social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central and State Govt. funds for socio-economic development and relief etc. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs 9.80. The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs 10.00 (previous year Rs 9.02)

S.No.	CSR activities	In cash	yet to be paid in cash	Total
(1)	Construction / acquisition of any asset	-	-	-
(2)	On purposes other than (1) above			
	Current year	10.00	-	10.00
	Previous year	9.02	-	9.02

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

30 Contingent liabilities and commitments (To the extent not provided for)

	31 March 2022	31 March 2021
Guarantees given by bank on behalf of company	160.33	125.13
Capital commitment (net of advances)	22.27	4.70
Income tax demand in respect of earlier years under dispute	37.07	53.80
VAT CST demand in respect of earlier years under dispute	5.63	5.63
Statutory bonus	8.06	8.06

Notes

a Income Tax demand in respect of earlier years

Period to which the amount relates	Demand (Rs)		Particulars
	31 March 2022	31 March 2021	
A.Y 2002-03	3.06	3.06	Demand due to disallowance of deduction u/s 10A. Appeal pending at High Court, New Delhi
A.Y 2006-07	19.47	19.47	Demand due to disallowance of deduction u/s 10A. Income Tax Appellate Tribunal set aside order of Commissioner of Income Tax Appeals. Matter pending at Jurisdictional Assessing Officer.
A.Y 2007-08	-	16.73	Demand due to disallowance of deduction u/s 10A. Commissioner of Income Tax-Appeals allowed the deduction u/s 10A claimed by the Company. Income Tax dept. filed appeal with Income Tax Appellate Tribunal which dismissed the Department's appeal and upheld order of Commissioner of Income Tax-Appeals. Order Giving Effect is awaited from Jurisdictional Assessing Officer.
A.Y 2008-09	1.31	1.31	Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax-Appeals.
A.Y 2009-10	9.93	9.93	Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax-Appeals.
A.Y 2017-18	3.30	3.30	Demand due to disallowance of depreciation on Goodwill. Appeal pending at Commissioner of Income Tax-Appeals.
	37.07	53.80	

b VAT CST demand in respect of earlier years under dispute (refer note b)

Period to which the amount relates	Demand (Rs)		Particulars
	31 March 2022	31 March 2021	
F.Y 2012-13	5.63	5.63	Demand due to taxability of Service Revenue under VAT Act. The appeal is pending at Joint Commissioner of Sales Tax Appeals

- c During the year ended March 31, 2016, Payment of Bonus Act, 1965 ("the Act") has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended March 31, 2016) is required to be paid to the eligible employees. Based on stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1.4.2014 in respect of statutory bonus has not been recognised and treated as contingent liability.

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

31 Leases

Operating lease

The lease rental for office premises, guest house and godown charged to statement of profit and loss aggregates to Rs.61.69 (previous year Rs.51.78)

Future minimum lease commitments in respect of non-cancellable operating leases:

	31 March 2022	31 March 2021
Not later than one year	29.41	-
Later than one year and not later than five years	168.11	-

32 Disclosure under Micro Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which came into force from 2 October 2006, and on the basis of the information and records available with the Company, the following disclosures are made for the amounts due to the Micro and Small enterprises:

Particulars	31 March 2022	31 March 2021
The amount remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	18.26	3.41
-Interest	-	-
Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

33 Ratios

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	Variance
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	3.87	4.52	-14%
Return on Equity Ratio (in %)	Profit for the year less Preference Dividend (if any)	Average total equity	20%	14%	36%
Trade Receivables Turnover Ratio (in times)	Revenue from Operations	Average trade receivables	2.25	2.29	-2%
Trade Payables Turnover Ratio (in times)	Cost of services + other expenses	Average trade payables	3.53	4.08	-14%
Net Capital Turnover Ratio (in times)	Revenue from Operations	Average working capital (i.e. Total Current Assets less Total Current Liabilities)	1.46	1.52	-4%
Net Profit Ratio (in %)	Profit for the year	Revenue from Operations	16.27%	11.55%	41%
Return on capital employed (in %)	Profit before Tax and finance costs	Capital employed = Net worth+ Lease liabilities+Deferred tax	23.77%	18.46%	29%
Return on Investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	1.72%	3.38%	-49%

- 1 Return on Equity Ratio has increased in current year due to increase in Profit after Tax by 50% mainly due to higher Software License revenues during the year.
- 2 Trade receivable Turnover Ratio has increased in current year due to increase in Revenue from operations by 11% and reduction in Trade receivable amount by 29%
- 3 Net Profit Ratio has increased in current year due to increase in Revenue from operations by 11% mainly due to increase in Software License Sales and SaaS Revenues and decrease in Cost of Services by 8% and Other expenses by 10%
- 4 Return on capital employed has increased in current year due to increase in Profit Before Tax by 47%
- 5 Return on Investments has decreased in current year due to increase in Current investment and lower redemptions during the current year

34 Statement pursuant to requirement of schedule III of the companies Act, 2013 relating Company's interest in subsidiary companies

Name of Entity	Net Assets		Share in Profit and loss	
	[Total Assets- Total liabilities]			
	As % of Consolidated net assets	Amount	As % of Consolidated total Profit	Amount
31st March 2022				
Parent Company				
Infrasoft Technologies Ltd.	61.77%	1,999.22	70.77%	422.75
Subsidiaries				
Infrasoft Technologies FZ LLC	29.03%	939.62	18.06%	107.88
Infrasoft Technologies Pte. Limited	1.59%	51.43	3.63%	21.69
Infrasoft Technologies SDN BHD.	0.25%	8.11	0.01%	0.03
Infrasoft Technologies Inc.	0.41%	13.14	0.17%	1.02
Infrasoft Technologies Limited (UK)	1.31%	42.53	0.33%	1.98
Infrasoft Technologies (Jersey) Limited	4.32%	139.85	3.80%	22.72
Infrasoft Technologies Gurensy Limited	0.07%	2.23	-0.79%	(4.72)
InfrasoftTech Canada Limited	1.24%	40.28	4.01%	23.98
Total	100%	3,236.40	100.00%	597.33
31st March 2021				
Parent Company				
Infrasoft Technologies Ltd.	61.96%	1,760.00	77.20%	295.28
Subsidiaries				
Infrasoft Technologies FZ LLC	25.73%	730.82	6.91%	26.45
Infrasoft Technologies Pte. Limited	1.16%	33.02	2.26%	8.63
Infrasoft Technologies SDN BHD.	0.28%	7.92	-0.10%	(0.39)
Infrasoft Technologies Inc.	0.74%	20.93	0.30%	1.15
Infrasoft Technologies Limited (UK)	2.29%	65.01	0.13%	0.50
Infrasoft Technologies (Jersey) Limited	4.93%	139.90	9.32%	35.64
Infrasoft Technologies Gurensy Limited	0.08%	2.24	-1.18%	(4.53)
InfrasoftTech Canada Limited	2.84%	80.66	5.17%	19.78
Total	100.00%	2,840.50	100.00%	382.51

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

35 Borrowings on the basis of Security of Current Assets

Summary of reconciliation of quarterly statements of current assets filed by the Company with Banks are as below

Quarter	Name of the Bank	Trade receivables		Difference
		Amount as per books	Amount as reported in	
Jun-21	The Hongkong and Shanghai Banking Corporation Limited	492.36	669.74	177.38

Quarter	Name of the Bank	Trade Payable		Difference
		Amount as per books	Amount as reported in	
Jun-21	The Hongkong and Shanghai Banking Corporation Limited	20.21	18.12	(2.09)
Sep-21	The Hongkong and Shanghai Banking Corporation Limited	54.45	52.66	(1.79)

The variance is on certain quarter end adjustments made after the date of filing of returns with the banks. The returns and statements are subsequently rectified by the Company.

36 Transfer Pricing

The Company's management is of the opinion that its international transactions with related parties are at arms length and that the Company is in compliance with the transfer pricing legislation as per independent accountant's report for the year ended 31 March 2021. Based on the above, the Company's management believes that the Company's international transactions with the related parties post 31 March 2021 continue to be at arms length and that the aforesaid legislation will not have any impact on the standalone financial statements, particularly on the amount of tax expense and that of the provision for taxation.

37 Bad Debts

Bad debts written off during the previous year, includes an amount pertaining to trade receivable written off towards full and final settlement, vide a mutual consent agreement signed.

38 Other Statutory Information

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.
- (viii) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company does not have any transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (x) The Company has not revalued any of its Property, Plant and Equipment during the year.
- (xi) The company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Currency: Indian Rupees in millions)

39 In view of the recent amendments made in schedule III of the Companies Act 2013, below changes have been done in the comparative period (as at March 31, 2021).

Regrouped	Regrouped from	Regrouped To	Amounts in Rs.
Security deposits	Loans & Advances-Short Term	Other Current Assets	29.71
Security deposits	Loans & Advances-Long Term	Other Non-Current Assets	9.35
Unbilled Revenue	Unbilled Revenue	Trade receivables-unbilled	808.41

40 COVID-19 Impact

The World Health Organization in February 2020 declared outbreak of Coronavirus (COVID -19) as a pandemic. The pandemic has been rapidly spreading throughout the world, including India. Governments in India and across the world have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in activities. Consequently, the Company's offices had to be closed down / operate under restrictions for a considerable period of time during the year. More recently, the next wave of the pandemic has impacted India and the Company is monitoring the situation closely taking into account the increasing level of infections in India and across the world and directives from the various Governments.

Management believes that it has considered all the possible impacts of known events arising from COVID-19 pandemic in the preparation of the financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, intangible assets, and the net realisable values of other assets. At this stage, the Company considers it is in a position, notably due to its digital capabilities, to ensure continuity of services currently demanded by its clients. However, the Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.

Given the effect of these lockdowns / restrictions on the overall economic activity, the impact assessment of COVID-19 on the financial statements is subject to estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from that estimated as at the date of approval of these financial statements.

41 Other Information

Information with regard to other matters, as required by Schedule III to the act is either nil or not applicable to the company for the year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

Jitendra Vaishnav
Partner
Membership No: 123636

Rahul Bhasin
Chairman
[DIN: 00236867]

Rajesh Mirjankar
Managing Director
[DIN: 03594206]

Mumbai
16 September 2022

Kankesh Kamath
Chief Financial Officer
[Membership No: ACA 100377]
Mumbai
16 September 2022

Meet Bhagat
Company Secretary
[Membership No: ACS 20518]