BHUTA SHAH & Co LLP

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Members of
Motivity Labs Private Limited

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Motivity Labs Private Limited ("the Company"), which comprises the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the statement of cash flows for the year ended on that date, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 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 Director's Report, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

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

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of directors.

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

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

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

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

Other Matters

The Ind AS Financial statements of the company for the year ended March 31, 2022 were audited by predecessor auditor whose report dated May 25, 2022 expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

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

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 purpose of our audit.

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

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

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

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

(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 litigation as on 31st March 2023 on its financial position in its financial statement - Refer note 26 (i) to the financial statements.

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

b) 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 its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other 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 ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

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

iii. Based on such audit procedures as 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 (d) i and (d) ii above contain any material misstatement.

e) According to the information and explanations given to us and based on the records of the Company examined by us, there were no dividend declared or paid during the year by the Company.

f) The provisions of section 197 read with schedule V of the Act is applicable to the Company. The company has not paid managerial remuneration during the year.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W / W100100

BHUTA SHAH & CO LLP
MUMBAI
FRN - 101474W/
W100100
CHARTERED ACCOUNTANTS

Gala AL

Atul Gala
Partner
Membership Number: 048650
UDIN: 23048650BGTOHM5637

Mumbai
29 May 2023

BHUTA SHAH & Co LLP
CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report of even date on the financial statements of Motivity Labs Private Limited for the year ended 31 March 2023

(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 the situation of property, plant, and equipment.

(B) The Company does not have any intangible assets. hence, reporting under clause i (a) (B) is not applicable.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of property, plant, and equipment by which almost all property, plant, and equipment are verified during the year. In accordance with this program, almost all 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not hold immovable properties, and hence reporting under clause i (c) of Order is not applicable to the Company.

(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.

(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 in service industry and therefore does not holds any inventory. Hence reporting under clause 3 (ii) (a) is not applicable to the company.

(b) According to the information and explanations given to us and on the basis of our examination of records of the company, the Company has not been sanctioned any working capital limits, in aggregate, from banks or financial institutions on the basis of security of current assets. Hence reporting under clause 3(ii)(b) is not applicable to the Company.

iii According to information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in, provided any guarantee or security or granted advances in the nature of loans, secured or unsecured to Companies, firms, limited liability partnership, or other parties during the year. During the year, the Company has provided loans to a company.

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(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans as below:

Particulars	Loans (Rs. In lakhs)
Aggregate amount granted during the year	
-Others	1,427.08
Balance outstanding as at the balance sheet date in respect of above case	
-Others	292.59

(b) 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 loans and advances given during the year are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments of principal amounts and payment of interest.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no stipulated repayment schedule of principal and payment of interest and therefore we are unable to comment on total amount overdue for more than ninety days and reasonability of the steps for recovery of principal and interest.

(e) According to the information and explanations given to us and on the basis of our examination of our records of the Company, we are unable to comment whether loan granted by the Company fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(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 loan to its related party as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	Related Parties (Rs. In Lakhs)
Aggregate of loan/advances in nature of loans- Repayable on demand (A) Agreement does not specify any terms or period of repayment (B)	- 1,427.08
Total (A+B)	
Percentage of loans/advances in nature of loans to the total loans	100%

iii According to the information and explanations given to us and based on our examination of the records, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

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iv 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 to the Company.

v The maintenance of cost records has not been specified by the Central Government under sub section (1) of section 148 of the Act for the business activities carried out by the Company. Hence reporting under clause (vi) of the Order is not applicable to the Company.

vi In respect of statutory dues:

(a) According to the information and explanations given to us and based on our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees State Insurance Fund, Income Tax, Goods and Service Tax and other material statutory dues have not been regularly deposited during the year with the appropriate authorities and there have been serious delays in a large number of cases.

According to the information and explanations given to us, except for dues as disclosed below and interest there on, there were no arrears of statutory dues as on 31 March 2023 for a period of more than six months from the date on when they become payable.

Sr no.	Name of Statutory Authorities	Assessment Year (A.Y.)	Amount (Rs. In Lakhs)
1	Income Tax Demand	A.Y.2018-19	13.79
2	Tax Deducted at Source	A.Y. 2019-20	1.43
3	Tax Deducted at Source	A.Y. 2020-21	0.36
4	Tax Deducted at Source	A.Y. 2021-22	2.08
5	Tax Deducted at Source	A.Y. 2022-23	2.60
6	Tax Deducted at Source	A.Y. 2023-24	3.13

(b) According to the information and explanations given to us and based on the records of the Company examined by us, there are no dues of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues which have not been deposited on account of any dispute.

vii There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix (a) According to information and explanations given to us and on the basis of examination of records of the Company, the Company has not obtained any loans or borrowings from any lender. hence, reporting under clause 3(ix)(a) is not applicable.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) According to information and explanations given to us and on the basis of the examination of records of the Company, the company has not obtained term loans during the year. hence, clause 3(ix)(c) is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on a short-term basis have, prima facie, not been used during the year for long-term purposes by the Company

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(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.

x (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year. hence reporting under clause xi (a) is not applicable.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to information and explanations given to us and on the basis of the examination of records of the Company, there are no whistle blower complaints received by the Company during the year.

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

xiii In our opinion, the Company is in compliance with section 188 of the Act with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Indian accounting standards. The provision of section 177 of the Act is applicable to the Company.

xiv (a) In our opinion and based on our examination, the Company does not fall under the criteria prescribed under section 138 of the Companies Act 2013 for the applicability of internal audit, the same is not applicable to the Company, therefore, reporting under clause 3(xiv)(a) and 3(xiv)(b) is not applicable to the Company.

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

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FRN - 101474W/

xvi (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b), and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year company has incurred cash loss of Rs.12.41 lakhs.

xviii There has been no resignation of the statutory auditors during the year and accordingly clause 3 (xviii) is not applicable.

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

xx 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. Hence, reporting under clause 3(xx)(a) and clause 3(xx)(b) of the Order are not applicable for the year.

For **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W / W100100

BHUTA SHAH & CO LLP * CHARTERED ACCOUNTANTS * MUMBAI FRN - 101474W/ W100100

Gala

Atul Gala
Partner
Membership Number: 048650
UDIN: 23048650BGTOHM5637

Mumbai
29 May 2023

Annexure "B" to the Independent Auditors' report on the financial statements

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirement's section of our report to the Members of **Motivity Labs Private Limited** of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls with reference to financial statements of Motivity Labs Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, and to the best of our information and according to the explanations given to us, the company has in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial controls were opening as at 31 March 2023, based on the criteria for internal financial controls over financial reporting established by the Company 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").

Managements and Board of Directors' responsibilities for Internal Financial Controls

The Management and Board of Directors of the company are responsible for establishing and maintaining internal financial controls based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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 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 financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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 **Bhuta Shah & Co LLP**
Chartered Accountants
Firm Reg. No.: 101474W / W100100

BHUTA SHAH & CO LLP * MUMBAI FRN - 101474W/ W100100 * CHARTERED ACCOUNTANTS

Gala

Atul Gala
Partner
Membership Number: 048650
UDIN: 23048650BGTOHM5637

Mumbai
29 May 2023

Motivity Labs Private Limited
Balance Sheet as at March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Particulars		As at March 31, 2023	As at March 31, 2022
ASSETS			
I Non-current assets			
Property, plant and equipment	3	227.28	58.10
Right of use assets	5	1,509.95	-
Financial assets	6		
(i) Other financial assets		676.60	84.95
Deferred tax assets (net)	13	40.16	118.46
Other non-current assets		-	-
Non-current tax assets	8	218.03	-
Total non-current assets		2,672.02	261.51
II Current assets			
Financial assets	6		
(i) Trade receivables		2,871.59	137.55
(ii) Cash and cash equivalents		78.48	685.36
(iii) Bank balances other than (ii) above		-	17.88
(iv) Other financial assets		20.32	3.32
Other current assets	7	547.71	277.58
Total current assets		**3,518.10**	**1,121.69**
Total Assets		**6,190.12**	**1,383.20**
EQUITY AND LIABILITIES			
I Equity			
Equity share capital	9	100.00	100.00
(ii) Debt Equity Ratio : Increase due to additions in lease liability during the year.	10	2,010.74	412.42
Total equity attributable to owners of the Company		**2,110.74**	**512.42**
Total Equity		**2,110.74**	**512.42**
Liabilities			
II Non-current liabilities			
Financial liabilities	11		
(i) Lease liabilities		1,113.07	-
(ii) Other financial liabilities		10.98	-
Provisions	12	128.36	224.28
Total non-current liabilities		1,252.41	224.28
III Current liabilities			
Financial liabilities	11		
(i) Lease liabilities		352.69	-
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		0.75	-
(b) total outstanding dues of creditors other than micro and small enterprises		921.08	36.17
(iii) Other financial liabilities		516.47	550.57
Other current liabilities	14	565.47	58.47
Provisions	12	4.09	1.29
Current tax liabilities	15	466.41	-
Total current liabilities		**2,826.97**	**646.50**
Total Liabilities		**4,079.38**	**870.78**
Total Equity and Liabilities		**6,190.12**	**1,383.20**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

BHUTA SHAH & CO LLP
MUMBAI
FRN - 101474W/
W100100
CHARTERED ACCOUNTANTS

Atul Gala
Partner
Membership No. : 048650

Place : Mumbai
Date : 29 May 2023

For and on behalf of the Board of Directors of
Motivity Labs Private Limited
CIN: U72900TG2010PTC066869

Motivity Labs Pvt. Ltd. Hyderabad

Ameeruddin Syed
Director
DIN No:- 06419899

Motivity Labs Pvt. Ltd. Hyderabad

Joseph Thumma
Director
DIN No:- 07033919

Place : Hyderabad
Date : 29 May 2023

Motivity Labs Private Limited
Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	Revenue from operations	16	7,553.99	2,887.11
	Other income	17	28.74	55.81
	Total income		**7,582.73**	**2,942.92**
II	**Expenses**			
	Employee benefits expense	18	3,653.49	2,435.51
	Finance costs	19	24.12	0.03
	Depreciation and amortisation expense	20	118.34	39.58
	Other expenses	21	1,846.83	539.87
	Total expenses		**5,642.78**	**3,014.99**
III	**Profit before tax**		**1,939.95**	**(72.07)**
IV	**Income tax expense**	13		
	Current tax		465.13	-
	Deferred tax charge/(credit)		27.51	(20.97)
	Total tax expense		**492.64**	**(20.97)**
V	**Net Profit after Tax**		**1,447.31**	**(51.10)**
VI	**Profit for the year**		**1,447.31**	**(51.10)**
VII	**Other comprehensive income**			
(a)	**Items that will not be reclassified to profit or loss in subsequent periods**			
	(i) Remeasurements gains/(losses) on defined benefit plans		201.80	-
	(ii) Income tax effect on above		(50.79)	-
	Other comprehensive income for the year, net of tax		**151.01**	-
VIII	**Total comprehensive income for the year, net of tax**		**1,598.32**	**(51.10)**
IX	**Earnings per equity share [nominal value of share ₹10 (Previous year ₹10)]**			
	Basic earning per share(₹)		159.83	(5.11)
	Diluted earning per share(₹)		159.83	(5.11)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

Atul Gala
Partner
Membership No. : 048650

BHUTA SHAH & CO LLP MUMBAI FRN - 101474W/ W100100 CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 29 May 2023

For and on behalf of the Board of Directors of
Motivity Labs Private Limited
CIN: U72900TG2010PTC066869

Ameeruddin Syed
Director
DIN No:- 06419899

Joseph Thumma
Director
DIN No:- 07033919

Motivity Labs Pvt.Ltd Hyderabad

Place : Hyderabad
Date : 29 May 2023

Motivity Labs Pvt.Ltd Hyderabad

Motivity Labs Pvt.Ltd Hyderabad

Motivity Labs Private Limited
Cashflow Statement as at March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flows from operating activities :**		
	Profit before tax	1,939.95	(72.07)
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense for PPE	53.56	39.58
	Depreciation and amortisation expense for ROU	64.78	-
	Interest income on bank deposits and others	(23.13)	(1.37)
	Interest on Security Deposit	(3.16)	-
	Finance costs	24.12	0.03
	Interest cost on Lease Liabilities	22.55	-
	Provision for Defined benefit obligation	92.90	-
	Operating Profit before working capital changes	**2,171.58**	**(33.84)**
	Movement in working capital		
	(Increase)/ Decrease in trade receivables	(2,734.04)	115.40
	(Increase)/ Decrease in non current other financial assets	(647.40)	2.05
	(Increase)/ Decrease in other current assets	(270.13)	(42.16)
	Increase/ (Decrease) in trade payables	885.66	14.10
	(Increase)/ Decrease in current other financial assets	(16.99)	(3.32)
	Increase/ (Decrease) in other financial liability	(23.12)	502.90
	Increase/ (Decrease) in provisions	15.78	157.91
	Increase/ (Decrease) in Other current liability	507.00	(2.89)
	Increase/ (Decrease) in Current Tax Liability	1.31	-
	(ii) Debt Equity Ratio : Increase due to additions in lease liability during the year.	(31.73)	-
	Cash generated from operations	**(2,313.67)**	**744.00**
	Income tax paid (net of refund)	(186.30)	-
	Net Cash flows from operating activities (A)	**(328.39)**	**710.16**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(222.76)	(76.85)
	ROU Asset	0.00	-
	Investment	-	21.06
	Interest received on bank deposits & others	23.13	1.37
	Net cash used in investing activities (B)	**(199.63)**	**(54.42)**
C	**Cash flows from financing activities**		
	Interest paid on borrowings	(24.12)	(0.03)
	Payment of principal portion of lease liabilities	(72.61)	-
	Net cash used in financing activities (C)	**(96.73)**	**(0.03)**
	Net Increase/ (decrease) in cash and cash equivalents(A+B+C)	**(624.76)**	**655.73**
	Cash and cash equivalents as at beginning	703.24	47.51
	Effects of exchange rate changes on cash and cash equivalents		
	Cash and cash equivalents as at closing	**78.48**	**703.24**

Notes

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - Statement of Cash Flows

2 Components of cash and cash equivalents

Cash and cash equivalents		
Balances with banks		
In current / cash credit accounts	78.48	703.24
Deposits with a original maturity of less than three months	-	-
Cash on hand	-	-
Cash and cash equivalents at the end of the year	**78.48**	**703.24**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

For and on behalf of the Board of Directors of
Motivity Labs Private Limited
CIN: U72900TG2010PTC066869

Ameeruddin Syed
Director
DIN No:- 06419899

Joseph Thumma
Director
DIN No:- 07033919

Place : Mumbai
Date : 29 May 2023

Place : Hyderabad
Date : 29 May 2023

1 Background

Motivity Labs Private Limited, ("the Company") incorporated on 02nd February, 2010 is a domestic company, and is domiciled in Hyderabad, India. The registered office of the Company is at Dallas Centre, 6th Floor, 83/1, Knowledge City, Raidurg, Hyderabad, Talengana 500032. The Company is engaged in the business of Software development, network development, network & web designing,hardware development, comnsultancy & retaining services and any other emerging new business in any of the related fields detailed ,in india or abroad and to develop,acquire,exchange,sell, or export computers software system and sub - system and applications packages, enter into collaborations for technical knowhow and production process and establish, provide, maintain, conduct or otherwise subsidize data centers for Data processing, scientific, Commercial and on line computer applications.

2 Summary of Significant accounting policies :

2.1 Basis of preparation of financial statements

Compliance with Ind AS: The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

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

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

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

2.2 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customers is is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period.Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to
recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably..

to additions in lease liability during the year.

2.3 Property plant and equipment

(i) **Tangible property plant and equipment:**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(ii) **Depreciation/Amortisation:**

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives.The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

(iii) **Derecognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

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(iv) **Impairment Testing of Property, Plant and Equipment, and Intangible Assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.4 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significantjudgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.
The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.5 Foreign currency transactions

(i) **Initial recognition**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) **Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
Non monetary foreign currency items are carried at cost.

(iii) **Treatment of exchange differences**

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.
The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.
Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.

2.6 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.
Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

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2.7 Income taxes

(i) **Current tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) **Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) **Current and deferred tax for the year**

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

2.8 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.9 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognized and disclosed in Financial statements.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
Financial assets
Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

Amortised cost; or
Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
Fair Value through Profit or Loss (FVTPL)

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Hyderabad

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

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

Financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.11 Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.12 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets liabilities and impairment of investments.

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Motivity Labs Pvt. Ltd. Hyderabad

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The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of property, plant and equipment and intangible assets**
The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Revenue Recoginition**
The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

(iii) **Fair value of financial assets and liabilities**
The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

2.13 Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

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Motivity Labs Pvt. Ltd. * Hyderabad *

Motivity Labs Pvt. Ltd. * Hyderabad *

Motivity Labs Private Limited
Statement of changes in equity for the year ended March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	Nos.	Amount
Balance as at April 01, 2021	10,00,000.00	100.00
Issue of equity shares of ₹ 10 each	-	-
Balance as at March 31, 2022	10,00,000.00	100.00
Issue of equity shares of ₹ 10 each	-	-
Balance as at March 31, 2023	10,00,000.00	100.00

(b) Other equity

Particulars	Retained earnings	Total other equity
As at April 01, 2021	463.52	463.52
Profit /(loss) for the year	(51.10)	(51.10)
Total Comprehensive income for the year	412.42	412.42
As at March 31, 2022	412.42	412.42
Profit for the year	1447.31	1,447.31
Other comprehensive income for the year	151.01	151.01
Total Comprehensive income for the year	1,598.32	1,598.32
As at March 31, 2023	2,010.74	2,010.74

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

BHUTA SHAH & CO LLP MUMBAI FRN - 101474W/ W100100 CHARTERED ACCOUNTANTS

Atul Gala
Partner
Membership No. : 048650

For and on behalf of the Board of Directors of
Motivity Labs Private Limited
CIN: U72900TG2010PTC066869

Motivity Labs Pvt. Ltd. Hyderabad

Ameeruddin Syed
Director
DIN No:- 06419899

Joseph Thumma
Director
DIN No:- 07033919

Motivity Labs Pvt. Ltd. Hyderabad

Place : Mumbai
Date : 29 May 2023

Place : Hyderabad
Date : 29May 2023

Motivity Labs Private Limited
Notes forming part of the financial statements for the year ended March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

4 Goodwill and Other Intangible assets

Particulars	Computer Software	Total intangible assets
Gross carrying amount		
As at April 01, 2021	39.05	39.05
Additions during the year		-
Disposals/adjustments		-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)		-
Foreign currency translation impact		-
As at March 31, 2022	**39.05**	**39.05**
Additions during the year		-
Disposals/adjustments		-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)		-
Foreign currency translation impact		-
As at March 31, 2023	**39.05**	**39.05**
Accumulated amortisation		
As at April 01, 2021	-	-
Amortisation for the year	39.05	39.05
Disposals/adjustments		-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)		-
Foreign currency translation impact		-
As at March 31, 2022	**39.05**	**39.05**
Amortisation for the year		-
Addition/ Deletion due to other reason (business acquisition/dispoal etc)		
Disposals/adjustments		-
Foreign currency translation impact		-
As at March 31, 2023	**39.05**	**39.05**
Net Carrying amount		
As at March 31, 2022	-	-
As at March 31, 2023	-	-

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3 Property, plant and equipment

Particulars	Furniture and fittings	Office equipment	Data Processing Equipment	Total
Gross carrying amount				
As at 01 April, 2021	**8.12**	**30.08**	**101.00**	**139.20**
Additions during the year	7.25	5.80	63.80	76.85
As at 31 March, 2022	**15.37**	**35.88**	**164.80**	**216.05**
Additions during the year	-	2.66	220.10	222.75
As at 31 March , 2023	**15.37**	**38.54**	**384.90**	**438.80**
Accumulated depreciation				
As at 01 April, 2021	**5.56**	**28.97**	**83.85**	**118.38**
Depreciation charge for the year	0.11	1.56	37.91	39.58
As at 31 March, 2022	**5.67**	**30.53**	**121.76**	**157.96**
Depreciation charge for the year	-	-	-	53.56
As at 31 March , 2023	**5.67**	**30.53**	**121.76**	**211.52**
Net Carrying amounts				
As at 01 April, 2021	**2.56**	**1.11**	**17.15**	**20.82**
As at 31 March, 2022	**9.70**	**5.35**	**43.04**	**58.09**
As at 31 March , 2023	**9.70**	**8.01**	**263.14**	**227.28**

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5 Right of use assets and leases liabilities

(i) Right of use assets: The Company's lease asset primarily consist of following:
(a) Lease contracts entered by the company pertain for building,flat and office floor in the building taken on lease to conduct its business in the ordinary course having lease terms between 36 to 60 months.The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Building	Total
As at April 01, 2021	-	-
Additions during the year	-	-
Disposal during the year	-	-
As at March 31, 2022	-	-
Additions during the year	1,574.73	1,574.73
As at March 31, 2023	**1,574.73**	**1,574.73**
Accumulated depreciation		
As at April 01, 2021	-	-
Depreciation for the year	-	-
As at March 31, 2022	-	-
Depreciation for the year	64.78	64.78
As at March 31, 2023	**64.78**	**64.78**
Carrying amounts (net)		
As at March 31, 2022	-	-
As at March 31, 2023	1,509.95	1,509.95

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	-	-
Addition during the year	1,515.82	-
Finance cost accrued during the year	22.55	-
Payment of lease liabilities	(72.61)	-
Balance at the end	**1,465.76**	-
Current maturities of lease liabilities	352.69	-
Non-current lease liabilities	1,113.07	-

(iv) **Amount recognised in the statement of Profit and loss during the year:**

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets	64.78	-
Finance cost incurred during the year	22.55	-
Total	**87.33**	-

(v) The Company does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(vi) Non-cash investing activities during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Acquisition of right of use assets	1,515.82	-
Disposal of right of use assets	-	-

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6	**Financial Assets**	Non-current		Current	
	Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(A)	**Trade receivables**				
	(Unsecured)				
	Trade receivables from contract with customers - considered goods - billed	-	-	2,446.59	137.55
	Trade receivables from contract with customers - considered goods - unbilled	-	-	425.00	-
		-	-	2,871.59	137.55
	Total	-	-	2,871.59	137.55

Notes:

(a) Trade receivables Ageing Schedule

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	425.00	2,436.85	-	-	-	-	2,861.85
Disputed Trade receivables - considered good	-	-	9.74	-	-	-	9.74
Total	**425.00**	**2,436.85**	9.74	-	-	-	2,871.59
Net Trade receivables	**425.00**	**2,436.85**	9.74	-	-	-	2,871.59

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from the due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	137.55	-	-	-	-	137.55
Total	-	137.55	-	-	-	-	137.55
Net Trade receivables	-	137.55	-	-	-	-	137.55

(b) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

	Particulars	Non-current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(B)	**Cash and cash equivalents**				
	Balances with banks				
	In current accounts	-	-	72.86	683.73
	Cash in hand	-	-	5.62	1.63
	Total	-	-	78.48	685.36

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

	Particulars	Non-current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(C)	**Other Bank balances**				
	Deposits with original maturity of more than three months but less than twelve months {refer note (a)}	-	-	-	17.88
	Total	-	-	-	17.88

Notes:

(a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between 3 months to 12 months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

(D) Other financial assets (Unsecured, considered good unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits	184.01	84.95	-	-
Interest accrued on bank deposits	-	-	-	3.32
Loan given to employee	200.00	-	-	-
Accrued Interest Income on Inter Corporate Deposits	-	-	20.32	-
Inter Corporate Deposits	292.59	-	-	-
Total	676.60	84.95	20.32	3.32

	Particulars	Non-current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
7	**Other assets**				
	(Unsecured considered good, unless otherwise stated)				
	Advance other than capital advance				
	Advance to vendors	-	-	43.09	-
	Others			-	-
	Prepaid expenses	-	-	55.06	10.69
	Balances with government authorities considered good	-	-	449.56	171.98
	Advance Tax & TDS Receivables	-	-	-	76.63
	Excess TDS Payment	-	-	-	9.60
	Others Assets	-	-	-	8.68
	Total	-	-	547.71	277.58

8	**Non-current tax assets**				
	Income Tax assets (net of provision for income tax)	218.03	-	-	-
	Total	218.03	-		

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	Particulars	As at 31 March 2023		As at 31 March 2022	
		Number	Amount	Number	Amount
9	**Share Capital**				
(i)	**Authorised capital**				
	10,00,000 Equity Shares of Rs. 10 each, fully paid up	10.00	100.00	10.00	100.00
		10.00	**100.00**	**10.00**	**100.00**
(ii)	**Issued, subscribed and fully paid up**				
	Equity share capital				
	Equity shares of ₹10/- each with voting rights	10.00	100.00	10.00	100.00
		10.00	**100.00**	**10.00**	**100.00**

(iv) **Details of shareholders holding more than 5% shares in the Company:**

Name of shareholders	As at March 31, 2023		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10/- each with voting rights				
Motivity INC, USA	9,99,990.00	99.999%	9,99,990.00	99.999%

(v) **Terms/rights attached to equity shares**
The Company has only one class of issued equity shares capital having par value of ₹ 10 per share,as on 31 March 2023. Each shareholder is entitled to one vote per share held.In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding.

10 Other equity:

Particulars	As at March 31, 2023	As at March 31, 2022
Retained earnings	2,010.74	412.42
Total other equity	**2,010.74**	**412.42**

(i)	**Retained earnings**		
	Opening balance	412.42	463.52
	Net profit for the year	1,447.31	(51.10)
	Other comprehensive income / (loss) for the year	151.01	-
	Closing balance	**2,010.74**	**412.42**

Nature and purpose of other reserves

(i) Retained earnings
Retained earnings are the profits that the Company has earned till date including gain/(loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

11 Financial liabilities

	Particulars	Non-current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(A)	**Lease liabilities (valued at amortised cost)**				
	Lease liabilities (refer note 4)	1,113.07	-	352.69	
		1,113.07	-	**352.69**	-
(B)	**Trade payables**				
	Total outstanding dues of micro enterprises and small enterprises	-	-	0.75	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises			921.08	36.17
		-	-	**921.83**	**36.17**

Notes:
(i) **Trade payables Ageing Schedule**
As at March 31, 2023

Particulars	Not due	Outstanding for following periods from the due date				Total
		less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of creditors other than micro enterprises and small enterprises	-	911.87	0.41	-	-	912.28
Disputed dues of micro enterprises and small enterprises	-	-	-		2.93	2.93
Disputed dues of creditors other than micro enterprises and small enterprises	-	2.05	4.58	-	-	6.63
Total	-	**913.92**	**4.99**	-	**2.93**	**921.84**

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from the due date				Total
		less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of creditors other than micro enterprises and small enterprises	-	29.25	-	-	-	29.25
Disputed dues of creditors other than micro enterprises and small enterprises	-	3.99	-	2.93	-	6.92
Total	-	**33.24**	-	**2.93**	-	**36.17**

(ii) The trade payables are unsecured and non interest-bearing and are usually on varying trade term.

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	Particulars	Non-current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
(C)	**Other financial liabilities**				
	Payable to employees	10.98	-	-	2.11
	PF administration charges payable	-	-	-	0.65
	Leave encashment payable	-	-	-	18.33
	Advance from customers	-	-	516.47	532.54
		10.98	-	516.47	550.57
12	**Provisions**				
	Provision for employee benefits				
	Provision for Gratuity	81.96	212.00	4.09	-
	Provision for leave encashment	34.13	-	-	-
	Others				
	Provision for Income Tax	-	-	-	1.29
	Provision for GHMC	12.28	12.28	-	
		128.36	224.28	4.09	1.29

	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	12.28	12.28
Add: Provision made during the year	-	-
Less: Utilized during the year	-	-
Balance as at the end of the year	12.28	12.28
Non-current portion		
Current portion		

Particulars	As at March 31, 2023	As at March 31, 2022

13 Income tax and deferred tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

		As at March 31, 2023	As at March 31, 2022
(a)	**Income tax expense in the statement of profit and loss comprises :**		
	Current income tax charge	465.13	-
	Total current income tax	465.13	-
	Deferred Tax charge / (credit)		
	Relating to origination and reversal of temporary differences	27.51	-
	Income tax expense reported in the statement of profit or loss	492.64	-
(b)	**Other Comprehensive Income**		
	Tax expense related to items recognised in Other comprehensive income during the year:		
	Deferred tax on re-measurement loss on defined benefit plans	50.79	-
	Income tax related to items recognised in Other comprehensive income during the year	50.79	-

(c) **Deferred tax (liabilities) /assets comprises :**

Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax assets			
Allowance on lease liability		368.90	-
Property, plant and equipment and intangible assets		6.21	5.21
Expenses allowable on payment basis		30.25	15.15
Other - Security deposits		14.83	-
Carry forward income tax losses		-	77.14
	(B)	420.19	97.50
Deferred tax liabilities			
Right of use asset		380.02	-
		380.02	-
Less: MAT credit entitlement		-	-
	(A)	380.02	-
Net Deferred tax Asset	(A) - (B)	40.16	97.50

Particulars	As at March 31, 2023	As at March 31, 2022
Net deferred tax liabilities at the beginning of the year	118.46	97.50
Deferred tax charged/(credited) to profit and loss account during the year	(78.30)	20.97
Net deferred tax liabilities at the end of the year	40.16	118.46

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	Particulars	Non-current		Current	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
14	**Other liabilities**				
	Salaries Payable	-	-	-	27.49
	Audit Fees Payable	-	-	-	0.30
	Staff Dues	-	-	-	0.09
	Statutory dues payable	-	-	565.47	30.58
		-	-	565.47	58.47
	Statutory dues payable :				
	GST Payable	-	-	464.10	0.36
	TDS Payable	-	-	64.57	15.23
	ESIC Payable	-	-	0.42	0.39
	PF Payable	-	-	27.94	14.53
	PT Payable	-	-	0.59	0.08
	Employee Contribution - PF	-	-	7.85	-
15	**Current tax liability**				
	Current tax liabilities (net of advance tax and tax deducted at source)			466.41	-
				466.41	-

Non Compliance Disclosure

Company has not filed the Tax Audit Report under section 44AB of the Income Tax Act,1961

Penalty for the non compliance of Section 44AB of Income Tax Act,1961, (a) If any taxpayer who is required to get the tax audit done but fails to do so, the least of the following may be levied as a penalty: 5% of the total sales, turnover or gross receipts Rs 1,50,000 However, if there is a reasonable cause of such failure,	1.50	-
Total	1.50	-

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	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
16	**Revenue from operations**		
	Revenue from contract with customers		
	Service Income	7,553.99	2,887.11
		7,553.99	**2,887.11**
	Total revenue from operations	**7,553.99**	**2,887.11**
	Notes:		
(i)	**Timing of revenue recognition**		
	Services transferred over the time	7,553.99	2,887.11
	Total revenue from contract with customers	**7,553.99**	**2,887.11**
	Add: Other operating revenues	-	-
	Total revenue from operations	**7,553.99**	**2,887.11**

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
17	**Other Income**		
	Interest income on financial assets carried at amortised cost		
	Deposit with banks	0.98	-
	Interest Income on Inter Company Depsoits	22.15	-
	Shared Services Cost - GO	-	1.80
	Sublease - Rent	-	38.72
	Interest on Security Deposit	3.16	-
	Other non-operating income	-	-
	Liabilities no longer required - written back	2.45	15.29
		28.74	**55.81**
18	**Employee benefits expense**		
	Salaries, wages and bonus	3,325.36	2,158.26
	Contribution to Provident Fund	134.72	81.87
	Net defined benefit plan expense	92.90	163.08
	Leave Encashment Expense	15.80	-
	Staff welfare expense	67.95	27.74
	Payroll Processing Fee	5.96	-
	Contribution to Employee state insurance	3.28	2.28
	Other Employee Benefits	7.38	0.32
	Other Allowances	0.13	1.96
		3,653.49	**2,435.51**
19	**Finance costs**		
	Exchange differences regarded as an adjustment to borrowing costs;	-	-
	Interest expense on lease liabilities	22.55	-
	Bank Charges	1.57	0.03
		24.12	**0.03**
20	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment	53.56	39.58
	Depreciation on right-of-use assets	64.78	-
		118.34	**39.58**

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	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
21	**Other expenses**		
	Professional Fee	1,158.39	170.07
	Office Rent	153.20	112.24
	Insurance	88.47	60.00
	Office Expense	94.38	39.10
	Forex Gain/ Loss	46.70	2.21
	Hosted Messaging Services	41.66	14.33
	Office Maintenance	40.81	23.03
	Service Charges	29.73	-
	Reimbursement Exp-Joe	25.73	24.60
	Travelling & Conveyance	19.28	6.06
	Subcription Fee	17.22	0.18
	Hotel & Bording Charges	12.94	-
	Leased Line Expenses	12.32	11.19
	GHMC Convexion Commission	10.52	8.04
	Customs Duty	9.85	-
	Security Expnese	9.28	6.79
	House Keeping Expnese	8.82	0.59
	Repairs & Maintance	7.29	2.87
	Sales & Marketing Expenses	6.85	0.84
	Computer Rent	6.65	4.05
	Recruitment Exp	6.36	4.40
	Write Off	5.39	10.75
	Commission Charges	4.95	-
	Audit Fee	4.45	0.15
	Installation Expenses-GHMC	4.13	-
	Printing & Stationery	3.95	2.39
	Fuel Charges	2.97	0.70
	Computer Consumables	2.85	1.60
	Software Licence	2.74	1.75
	Guest House Maint .Exp	1.72	3.31
	Telephone Landline	1.66	3.60
	Postage & Courier Charges	1.37	-
	Other expenses	4.08	0.77
	Rates & Taxes	0.11	0.25
	GH Rent	-	2.10
	GHMC Project Cost	-	15.73
	Payroll Processing Fees	-	4.93
	Advertisement and Business Promotion	-	1.27
		1,846.83	**539.87**

Note:

(i) **Details of payments to auditors**

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Audit fee	2.25	0.15
Tax Audit	0.75	
Internal Audit Fees	1.45	
Total (included in legal and professional charges)	**4.45**	**0.15**

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22 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The Company operates following defined benefit obligations:

(a) Gratuity (defined benefit plan)

In accordance with the applicable laws, the company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Gratuity	
	As at March 31, 2023	**As at March 31, 2022**
Present value of defined benefit obligation	86.05	(202.00)
Fair value of plan assets	-	-
Net asset/(liability) recognized in consolidated balance sheet	**86.05**	**(202.00)**
Non-current portion term	81.96	12.68
Current portion	4.09	189.33

(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Current service cost	86.76	19.41
Interest cost (net)	13.94	3.83
Net defined benefit expense debited to statement of profit and loss	100.70	23.24

(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
Present value of obligation as at the beginning of the year	202.00	58.25
Current service cost	86.76	19.41
Interest cost	13.94	3.83
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial changes arising from changes in demographic assumptions	-	(0.04)
Actuarial changes arising from changes in financial assumptions	(3.79)	(5.51)
Actuarial changes arising from changes in experience adjustments	(198.00)	145.39
Benefits paid	(14.86)	(19.32)
Closing defined benefit obligation	**86.05**	**202.00**

(ii) Debt Equity Ratio : Increase due to additions in lease liability during the year.

(iv) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):

Particulars	Gratuity Benefits	
	As at March 31, 2023	As at March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:		
Actuarial (Gains)/Losses on Obligation For the Period	(201.80)	139.84
Recognised in other comprehensive income	(201.80)	139.84

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Motivity Labs Pvt.Ltd * Hyderabad *

Motivity Labs Pvt.Ltd * Hyderabad *

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(v) Principal actuarial used in recognition of Defined benefit obligation are as follows:

Particulars	Gratuity Benefits	
	As at March 31, 2023	As at March 31, 2022
Discount rate	0.07	0.07
Future salary increase	0.08	0.08
Expected return on plan assets	N/A	N/A
Retirement age (in years)	-	-

Mortality rate

Particulars	As at March 31, 2023
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)

(vi) Quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
1% increase in discount rate	(6.71)	15.25
1% decrease in discount rate	7.70	17.51
1% increase in salary escalation rate	7.12	12.38
1% decrease in salary escalation rate	(6.41)	(11.82)
1% increase in employee turnover escalation rate	(1.61)	(2.25)
1% decrease in employee turnover escalation rate	1.67	2.24

(vii) Maturity profile of defined benefit payments:

Particulars	Gratuity	
	As at March 31, 2023	As at March 31, 2022
1st following year	3.86	12.68
2nd following year	4.26	12.76
3rd following year	5.49	14.52
4th following year	7.77	16.58
5th following year	8.90	20.80
Sum of years 6 to 10	41.18	92.18
Sum of years 11 and above	113.41	232.18

(viii) 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.

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Contribution to provident and other funds	153.80	84.15
Total	**153.80**	**84.15**

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23 Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) **Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:**

Entity Name	Relationship
Magellanic Cloud Limited	Ultimate Holding Company
JNIT Inc.	Holding Company
Motivity Inc.	Immediate Holding Company
IVIS International Private Limited	Subsidiary company of Ultimate Holding Company
Provigil Surveillance Limited	Subsidiary company of Ultimate Holding Company
Scandron Private Limied	Subsidiary company of Ultimate Holding Company
Serial Enterprise Foods Private Limted	Subsidiary company of Ultimate Holding Company

(ii) **Key management personnel**

Name	Relationship
(ii) Debt Equity Ratio : Increase due to additions in lease liability du	Director
Syed Ameeruddin	Director
Sanjay Chauhan	Chief Finance Officer

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Motivity Labs Pvt. Ltd
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Hyderabad

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(B) Transactions with related parties

(i) Transactions with related parties for the year ended March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Services Given (Magellanic Cloud Limited)	250.00	61.36
	250.00	**61.36**
Unsecured loan given (Magellanic Cloud Limited)	1,427.09	
	1,427.09	-
Unsecured loan Given Repaid (Magellanic Cloud Limited)	1,134.50	
	1,134.50	-
Interest Accrued on ICD (Magellanic Cloud Limited)	22.15	-
	22.15	-
Rent (Joseph Reddy Thumma)	102.90	-
Reimbursement (Joeph Reddy Thumma)	25.73	89.00
	128.63	**89.00**

(C) Balances with related parties

(i) Balances Outstanding as at March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Receivables		
Magellanic Cloud Limited	292.59	42.13
	292.59	**42.13**

Notes:

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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24 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	696.91	696.91	88.27	88.27
Trade receivables (current and non current)	2,871.59	2,871.59	137.55	137.55
Cash and cash equivalents	78.48	78.48	685.36	685.36
Other bank balances (current and non current)	-	-	17.88	17.88
Total	**3,646.98**	**3,646.98**	**929.06**	**929.06**
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Lease liabilities (current and non current)	1,465.76	1,465.76	-	-
Other financial liabilities (current and non current)	527.45	527.45	550.57	550.57
Trade payables (current and non current)	921.83	921.83	36.17	36.17
Total	**2,915.04**	**2,915.04**	**586.74**	**586.74**

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

(i) **Fair value hierarchy**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(ii) Debt Equity Ratio : Increase due to additions in lease liability during the year.

There are no transfers among levels 1, 2 and 3 during the year
This section explains the judgement and estimates made in determining the fair value of financial assets that are:
a) Recognized and measured at Fair value
b) Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	696.91	-	696.91	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Lease liabilities (current and non current)	1,465.76	-	1,465.76	-
Other financial liabilities (current and non current)	527.45	-	527.45	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

Particulars	Carrying value	Fair Value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	88.27	-	88.27	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Other financial liabilities (current and non current)	550.57	-	550.57	-

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25 Segment Information

The company does not have reportable segments at standalone level and the same is disclosed in the consolidated financial statements.

26 Contingent Liability & Commitments

Contingent Liabilities for Taxation Matters

(i) Demands against the Company not acknowledged as debts and not provided for:

Financial Years	As at March 31, 2023	As at March 31, 2022
2018-19	13.79	-

27 Financial risk management objectives and policies :

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk, currency risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.
The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on: the carrying values of gratuity obligations and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's major customers are located in international market due to which the Company is also exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to the movement in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies approved by its Board of Directors.

The carrying amounts of the Company's foreign currency exposure at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from Foreign Customers	501.81	532.54
	501.81	532.54

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	Less than 1 Years	1-5 Years	More than 5 Years	Total
As at March 31, 2023	-	-	-	-
Borrowings	352.69	1,113.07	-	1,465.76
Lease liabilities (undiscounted)	921.83	-	-	921.83
Trade payable	516.47	10.98	-	527.45
Other financial liabilities	1,790.99	1,124.05	-	2,915.04
Total				
As at March 31, 2022	-	-	-	-
Borrowings	-	-	-	-
Lease liabilities (undiscounted)	36.17	-	-	36.17
Trade payable	550.57	-	-	550.57
Other financial liabilities	586.74	-	-	586.74
Total				

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade Receivables

The customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Customer credit risk is managed by respective department head subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. There is one single customer from whom the Company earns revenue of more than 10%, however, there is no credit default risk from this customer since the amount are generally received in advance. Refer note 5(B) for movement in credit loss allowance during the year.

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts . The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

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Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

Particulars	As at March 31, 2023	As at March 31, 2022
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	696.91	88.27
Cash and cash equivalents	78.48	685.36
Other bank balances (current and non current)	-	17.88
	775.39	791.51
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	2,871.59	137.55
Total Trade Receivables	2,871.59	137.55

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables		
Neither past due nor impaired	425.00	-
0 to 180 days due past due date	2,436.85	137.55
More than 180 days past due date	9.74	-
Total Trade Receivables	2,871.59	137.55

28 **Capital management**

For the purposes of Comany's capital management, Capital includes equity attributable to the equity holders of the company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Loan and borrowing	-	-
Less : Cash and cash equivalent	-	-
Net debts	-	-
Equity / Net Worth	2,110.74	512.42
Total Capital	2,110.74	512.42
Capital and Net debts	2,110.74	512.42
Gearing Ratio (Net Debt/Capital and Net Debt)	0.00%	0.00%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022

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Hyderabad

Motivity Labs Pvt.Ltd
Hyderabad

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

29 Additional information required

(i) **Details of Benami property:** No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) **Wilful defaulter:** Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority

(iii) **Compliance with approved scheme of arrangements:** The Company has entered into any scheme of arrangement which has an accounting impact on current or previous financial year

(iv) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, 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

The Company has not received any fund from any person or entity, 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

(v) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi)

Ratio	As at 31 March 2023	As at 31 March 2022	Variance	% change
Current ratio (in times) Total current assets/Total current liabilities	1.24	1.74	-0.49	-28%
Debt-Equity ratio (in times) Debt consists of borrowings and lease liabilities/Total Equity	0.69	-	0.69	0%
Return on equity ratio (in %) Profit for the year less Preference dividend (if any)/Average total equity	61%	-7%	0.68	-1033%
Trade receivables turnover ratio (in times) Revenue from operations/Average trade receivables	2.57	10.97	-8.40	-77%
Net capital turnover ratio (in times) Revenue from operations/Average Working Capital	8.13	4.29	3.84	90%
Net profit ratio (in %) Profit for the year/Revenue from operations	19%	-2%	21%	1182%
Return on capital employed (in %) Profit before tax and finance costs/Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	51%	-9%	0.60	665%
Operating Profit Margin (in %) Operating Profit/Revenue from operations	52%	16%	0.36	230%
Interest Coverage Ratio (in times) EBIT/Finance Cost	81.43	-2,401.33	2,482.76	-103%

Notes :

(a) **Reasons for movement in ratios greater than 25%**

(i) Current Ratio : Decrease due to increase in current liability
(ii) Debt Equity Ratio : Increase due to additions in lease liability during the year
(iii) Return of Equity (%) : Return on Equity in the current year has improved from -7 % to 61% due to profitability during the year against the loss in the last year
(iv) Trade Receivables Turnover (times): Decrease is due to higher receivables at the year end on account of pending realisation of the Q4 debtors.
(v) Net Capital Turnover Ratio : Ratio has improved in FY 2022-23 owing to increase in net revenues.
(vi) Net Profit Ratio (%) : Positive during the year as there is a profit during the current year against the loss in the previous year
(vii) Return on capital employed (%) : Return on capital employed has been changed with 664.93% , mainly due to profit during the year as compared to loss during the previous year.
(viii) Operating Profit Margin (%) : Increase is due to higher operation performance during the year.
(ix) Interest Coverage Ratio : Interest Coverage Ratio is 81.43 during the current year as against -2401.33 in the previous year primarily due to additions in debt (lease liability) as compared to last year

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Bhuta Shah & Co. LLP
Chartered Accountants
Firm Registration No: 101474W/W100100

BHUTA SHAH & CO LLP MUMBAI FRN - 101474W/ W100100 CHARTERED ACCOUNTANTS

Atul Gala
Partner
Membership No. : 048650

Place : Mumbai
Date : 29 May 2023

For and on behalf of the Board of Directors of
Motivity Labs Private Limited
CIN: U72900TG2018PTC066869

Motivity Labs Pvt. Ltd. Hyderabad

Ameeruddin Syed
Director
DIN No - 06419899

Joseph Thumma
Director
DIN No - 07033919

Place : Hyderabad
Date 29 May 2023

IVIS International Private Limited

Standalone Balance Sheet as at March 31, 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022	As at April 1, 2021
ASSETS				
I Non-current assets				
Property, plant and equipment	3	5,884.76	6,944.10	7,437.63
Right of use assets	4	347.11	-	-
Capital work in progress	3	84.39	124.80	259.60
Intangible assets	5	2,509.44	769.08	801.11
Financial assets	6			-
(i) Other financial assets		2,492.97	102.76	-
Other non-current assets	8	22.46	-	-
Non-current tax assets	9	-	-	
Total non-current assets		**11,371.09**	**7,940.75**	**8,498.34**
II Current assets				
Inventories	7	980.12	726.14	748.99
Financial assets	6			
(i) Trade receivables		4,551.60	2,880.07	3,773.10
(ii) Cash and cash equivalents		584.44	299.32	5.71
(iii) Bank balances other than (ii) above		107.42	1,557.52	548.84
(iv) Other financial assets		272.12	14.72	34.87
Other current assets	8	1,703.01	867.32	644.32
Total current assets		**8,198.71**	**6,345.09**	**5,755.83**
Total Assets		**19,569.80**	**14,285.84**	**14,254.17**
EQUITY AND LIABILITIES				
I Equity				
Equity share capital	9	1,415.72	1,415.72	1,415.72
Other equity	10	9,507.59	6,259.85	5,093.06
Total equity attributable to owners of the Company		**10,923.31**	**7,675.57**	**6,508.78**
Total equity		**10,923.31**	**7,675.57**	**6,508.78**
Liabilities				
II Non-current liabilities				
Financial liabilities	11			
(i) Borrowings		2,349.91	2,408.58	4,014.26
(ii) Lease liabilities		303.10	-	-
Provisions	12	66.10	42.71	34.84
Deferred tax liabilities (net)	13	1,379.84	816.67	676.97
Total non-current liabilities		**4,098.95**	**3,267.96**	**4,726.07**
III Current liabilities				
Financial liabilities	11			
(i) Borrowings		1,676.66	1,202.73	1,082.89
(ii) Lease liabilities		62.00	-	-
(iii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) total outstanding dues of creditors other than micro and small enterprises		1,616.75	1,049.60	1,552.20
(iv) Other financial liabilities		175.47	140.86	206.33
Current tax liabilities	15	757.05	440.09	45.42
Provisions	12	44.39	154.61	127.47
Other current liabilities	14	215.21	354.42	5.02
Total current liabilities		**4,547.54**	**3,342.31**	**3,019.33**
Total Liabilities		**8,646.49**	**6,610.27**	**7,745.40**
Total Equity and Liabilities		**19,569.80**	**14,285.84**	**14,254.18**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 30 May 2023

For and on behalf of the Board of Directors of
IVIS International Private Limited
CIN : U74900TG2014PTC170088

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Murali Mohan Rachapoodi
Director
DIN No. 05129064

Manikanta Jagu
Company Secretary
Membership No. A62014

Place : Hyderabad
Date : 30 May 2023

IVIS International Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

		Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	Revenue from operations	15	11,480.49	10,851.08
	Other income	16	385.25	41.54
	Total income		**11,865.74**	**10,892.62**
II	**Expenses**			
	Cost of raw materials and components consumed	17	1,015.19	330.25
	Employee benefits expense	20	1,279.70	1,296.24
	Finance costs	21	484.93	450.92
	Depreciation and amortisation expense	22	1,728.59	1,641.64
	Other expenses	23	4,589.98	5,036.92
	Total expenses		**9,098.39**	**8,755.97**
III	**Profit before tax**		**2,767.35**	**2,136.65**
IV	**Income tax expense**	13		
	Current tax		757.05	394.67
	Deferred tax charge		87.53	139.70
	Total tax expense		**844.59**	**534.37**
V	**Net Profit after Tax**		**1,922.76**	**1,602.28**
VII	**Profit for the year**		**1,922.76**	**1,602.28**
VI	**Other comprehensive income**			
(a)	**Items that will not be reclassified to profit or loss in subsequent periods**			
	(i) Remeasurements gains/(losses) on defined benefit plans		12.76	-
	(ii) Gain / loss on Revaluation of Intangible asset		1,757.90	-
	(iii) Income tax effect on above		(3.21)	-
	(iv) Deferred tax		(442.46)	-
	Other comprehensive income for the year		**1,324.98**	-
VII	**Total comprehensive income for the year**		**3,247.74**	**1,602.28**
VIII	**Earnings per equity share [nominal value of share ₹ 10 (Previous year ₹ 10)]**			
	Basic earning per share(₹)		13.58	11.32
	Diluted earning per share(₹)		13.58	11.32

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 30 May 2023

For and on behalf of the Board of Directors of
IVIS International Private Limited
CIN : U74900TG2014PTC170088

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Murali Mohan Rachapoodi
Director
DIN No. 05129064

Manikanta Jagu
Company Secretary
Membership No. A62014

Place : Hyderabad
Date : 30 May 2023

IVIS International Private Limited
Standalone Cashflow Statement as at March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
A	**Cash flows from operating activities :**		
	Profit before tax	2,767.35	2,136.65
	Adjustments to reconcile profit before tax to net cash flows		
	Depreciation and amortisation expense for PPE	1,670.72	1,641.63
	Depreciation and amortisation expense for Intangible	24.70	0.01
	Depreciation and amortisation expense for ROU	33.17	-
	Interest income on bank deposits and others	(313.03)	(41.54)
	Interest on Security Deposit	-0.96	
	Finance costs	471.04	450.92
	Interest cost on Lease Liabilities	13.89	
	Provision for Defined benefit obligation	24.67	24.67
	Provision for impairment of trade receivable and other assets provided for / (written back)	25.56	
	Operating Profit before working capital changes	**4,717.11**	**4,212.34**
	Movement in working capital		
	(Increase)/ Decrease in inventories	(253.98)	22.85
	(Increase)/ Decrease in trade receivables	(1,671.53)	893.03
	(Increase)/ Decrease in non current other financial assets	(2,400.02)	(102.76)
	(Increase)/ Decrease in other non current assets	(22.46)	-
	(Increase)/ Decrease in other current assets	(435.50)	258.94
	Increase/ (Decrease) in trade payables	567.15	(502.60)
	(Increase)/ Decrease in current other financial assets	(257.40)	20.15
	Increase/ (Decrease) in other financial liability	34.61	(65.46)
	Increase/ (Decrease) in provisions	(1.28)	(16.80)
	Increase/ (Decrease) in Other current liability	(139.20)	349.52
	Increase/ (Decrease) in current provisions	(123.02)	27.14
	Cash generated from operations	**(4,702.63)**	**884.02**
	Income tax paid (net of refund)	-840.28	(482.06)
	Net Cash flows from operating activities (A)	**(825.81)**	**4,614.29**
B	**Cash flows from investing activities**		
	Purchase of property, plant and equipment including intangibles and capital WIP	(570.96)	(1,013.30)
	Purchase of intangible assets	(7.16)	-
	Interest received on bank deposits & others	313.03	41.54
	Investment in fixed deposit matured /(made)	1,450.10	(1,008.68)
	Net cash used in investing activities (B)	**1,185.00**	**(1,980.44)**
C	**Cash flows from financing activities**		
	Proceeds from/ (repayment of) short term borrowings (net)	473.93	119.84
	Repayment of long term borrowings	(58.67)	(1,605.68)
	Interest paid on borrowings	(471.04)	(450.92)
	Repayment of Lease Liabilites	(18.30)	
	Payment of dividend	-	(403.48)
	Net cash used in financing activities (C)	**(74.07)**	**(2,340.24)**
	Net Increase/ (decrease) in cash and cash equivalents(A+B+C)	**285.12**	**293.61**
	Cash and cash equivalents as at beginning	299.32	5.71
	Effects of exchange rate changes on cash and cash equivalents		
	Cash and cash equivalents as at closing	**584.44**	**299.32**

Notes
1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 - *Statement of Cash Flows*
2 Components of cash and cash equivalents

IVIS International Private Limited
Standalone Cashflow Statement as at March 31, 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Cash and cash equivalents		
Balances with banks		
In current / cash credit accounts	584.43	297.70
Cash on hand	0.02	1.62
Cash and cash equivalents at the end of the year	**584.44**	**299.32**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Hyderabad
Date : 30 May 2023

For and on behalf of the Board of Directors of
IVIS International Private Limited
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Joseph Sudheer Reddy Thumma
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Manikanta Jagu
Company Secretary
Membership No. A62014

Place : Hyderabad
Date : 30 May 2023

1 Background

IVIS International Private Limited is a Private Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company is engaged in video monitoring/surveillance services and sale of monitoring/surveillance equipment.

2 Summary of Significant accounting policies

2.1 Basis of preparation of financial statements

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 01 April 2021. For all periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These Standalone financial statements for the year ended 31 March 2023 are the first the Company has prepared in accordance with Ind AS. Refer to note 30 for information on how the Company adopted Ind AS.

Compliance with Ind AS: The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

2.2 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customers is is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.
Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period.Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to
recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.3 Property plant and equipment

(i) **Tangible property plant and equipment:**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.
The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(ii) **Depreciation/Amortisation:**

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives.The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

(iii) **Derecognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

(iv) **Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.
Subsequent to initial recognition, intangible assets are accounted by the Company using revaluation model for its software used in e-surveillance business. the revaluation gain is recognised in Other comprehensive income as revaluation reserve and carrying amount adjusted to the extent. Any decrease in the carrying amount as a result of revaluation is recognised in the statement of profit or loss except to the extent of any credit balance in the revaluation surplus available with the Company in respect of that asset. Intangible assets are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

(v) **Impairment Testing of Property, Plant and Equipment, and Intangible Assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.4 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significantjudgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.5 Foreign currency transactions

(i) **Initial recognition**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) **Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
Non monetary foreign currency items are carried at cost.

(iii) **Treatment of exchange differences**

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.
Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.

2.6 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.
Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.7 Income taxes

(i) **Current tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) **Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) **Current and deferred tax for the year**

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

IVIS INTERNATIONAL PVT. LTD.

2.8 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.9 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.

Contingent assets are neither recognized and disclosed in Financial statements.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

Amortised cost; or
Fair Value through Other Comprehensive Income (FVTOCI) – debt investment; or
Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.
All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

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

Financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.11 Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.12 Inventories

Inventories of finished goods are valued at lower of cost and estimated net realisable value after providing for obsolescence, if any. Cost of raw materials, stores and spares and other products are determined on FIFO basis.

2.13 Business Combination

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

2.14 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Revenue Recoginition**

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

(iii) **Fair value of financial assets and liabilities**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(iv) **Revaluation of intangible assets**

The Company has adopted fair value model for class of intangible assets i.e. software. The model inolves the use of judgements and estimates on the life, recoverable value etc. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

2.15 Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

IVIS INTERNATIONAL PVT. LTD.

IVIS International Private Limited
Standalone Notes to Accounts for 31 March 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(a) **Equity share capital**

Particulars	Nos.	Amount
Balance as at April 01, 2021	1,41,57,219	1,415.72
Issue of equity shares	-	-
Balance as at March 31, 2022	**1,41,57,219**	1,415.72
Issue of equity shares	-	-
Balance as at March 31, 2023	**1,41,57,219**	**1,415.72**

(b) **Other equity**

Particulars	Equity component of other financial instruments	Securities premium	Revaluation Reserve	Retained earnings	Total other equity
As at April 01, 2021	-	2,397.53	-	2,695.53	**5,093.06**
Profit for the year	-	-	-	1,602.28	1,602.28
Total Comprehensive income for the year	-	-	-	**4,297.81**	**6,695.34**
Transactions with owners in their capacity as owners:					
Dividend paid during the year	-	-	-	403.48	403.48
Depreciation on IVIS Software				(32.01)	
As at March 31, 2022	-	**2,397.53**	-	**3,862.32**	**6,259.85**
Profit for the year	-	-	-	1,922.76	1,922.76
Other comprehensive income for the year	-	-	1,757.90	(432.92)	1,324.98
Total Comprehensive income for the year	-	-	**1,757.90**	**1,489.84**	**3,247.74**
As at March 31, 2023	-	**2,397.53**	**1,757.90**	**5,352.16**	**9,507.59**

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 30 May 2023

For and on behalf of the Board of Directors of
IVIS International Private Limited
CIN : U74900TG2014PTC170988

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Murali Mohan Rachapoodi
Director
DIN No. 05129064

Manikanta Jagu
Company Secretary
Membership No. A62014

Place : Hyderabad
Date : 30 May 2023

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Furniture and fittings	Office equipments	Computers	E-Surveillance equipments	Total	Capital work in progress	Grand total
Gross carrying amount							
As at 01 April 2021	84.82	38.36	180.63	9,404.44	**9,708.25**	259.60	9,967.86
Additions during the year	10.29	0.69	80.83	1,094.57	**1,186.38**	1,029.26	2,215.64
Disposals/adjustments	(3.12)	(0.31)	(2.57)	(32.27)	**(38.28)**	(1,164.06)	(1,202.34)
As at 31 March 2022	**91.99**	**38.74**	**258.89**	**10,466.74**	**10,856.36**	**124.80**	**10,981.16**
Additions during the year			28.85	582.53	**611.38**	615.01	1,226.40
Disposals/adjustments					-	(655.43)	(655.43)
As at 31 March 2023	**91.99**	**38.74**	**287.74**	**11,049.27**	**11,467.74**	**84.39**	**11,552.12**
Accumulated depreciation							
As at 01 April 2021	21.89	19.53	128.25	2,100.95	2,270.63	-	**2,270.63**
Depreciation charge for the year	8.35	5.90	36.57	1,590.81	1,641.63	-	1,641.63
As at 31 March 2022	**30.24**	**25.42**	**164.83**	**3,691.76**	**3,912.25**	-	3,912.25
Depreciation charge for the year	8.71	5.29	43.07	1,613.66	1,670.72		1,670.72
As at 31 March 2023	**38.94**	**30.71**	**207.90**	**5,305.42**	**5,582.97**	-	**5,582.97**
Net Carrying amounts							
As at 01 April 2021	**62.93**	**18.83**	**52.37**	**7,303.49**	**7,437.63**	**259.60**	**7,697.23**
As at 31 March 2022	**61.75**	**13.31**	**94.06**	**6,774.98**	**6,944.10**	**124.80**	**7,068.91**
As at 31 March 2023	**53.05**	**8.03**	**79.84**	**5,743.85**	**5,884.76**	**84.39**	**5,969.15**

Notes:

(a) On transition to Ind AS (i.e. 1 April 2021), the Company has elected to continue with net carrying value of Property, plant, and equipment measured as per the Indian GAAP and use that net carrying value as the deemed cost of property, plant and equipment.

(b) Property, plant and equipment are hypothecated as security for borrowing by the company. Refer Note 11(A) for details of hypothecation.

(c) Ageing of capital work-in-progress is as below:

	As at 31 March 2023				
CWIP for a period of	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	84.39	-	-	-	**84.39**

	As at 31 March 2022				
CWIP for a period of	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	103.69	21.12	-	-	**124.80**

	As at 01 April 2021				
CWIP for a period of	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	259.60	-	-	-	**259.60**

(d) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year

IVIS International Private Limited
Standalone Notes to Accounts for 31 March 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

4 Right of use assets and leases liabilities

(i) Right of use assets: The Company ' s lease asset primarily consist of :
Leasehold building representing the properties taken on lease having lease terms between 1 to 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Building	Total
As at 01 April 2021	-	-
As at 31 March 2022	-	-
Additions during the year	380.28	380.28
As at 31 March 2023	**380.28**	**380.28**
Accumulated depreciation		
As at 01 April 2021	-	-
As at 31 March 2022	-	-
Depreciation for the year	33.17	33.17
As at 31 March 2023	**33.17**	**33.17**
Carrying amounts (net)		
As at 01 April 2021	-	-
As at 31 March 2022	-	-
As at 31 March 2023	**347.11**	**347.11**

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022	As at 01 April 2021
Balance at the beginning	-	-	-
Addition during the year	369.50	-	-
Finance cost accrued during the year	13.89	-	-
Payment of lease liabilities	(18.30)	-	-
Balance at the end	**365.10**	-	-
Current maturities of lease liabilities	62.00	-	-
Non-current lease liabilities	303.10	-	-

(iv) **Amount recognised in the statement of Profit and loss during the year:**

Particulars	As at March 31, 2023	As at March 31, 2022	As at 01 April 2021
Depreciation charge of right of use assets	33.17	-	-
Finance cost incurred during the year	13.89	-	-
Total	47.06	-	-

(v) The Company does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due

(vi) Non-cash investing activities during the year

	Year ended March 31, 2023	Year ended March 31, 2022
Acquisition of right of use assets	380.28	-
Disposal of right of use assets	-	-

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

5 Intangible assets

Particulars	Software	Total intangible assets
Gross carrying amount		
As at 01 April 2021	816.05	**816.05**
Additions during the year		-
As at 31 March 2022	**816.05**	**816.05**
Additions during the year	7.16	7.16
Changes in fair value	1,757.90	1,757.90
As at 31 March 2023	**2,581.11**	**2,581.11**
Accumulated amortisation		
As at 01 April 2021	14.94	**14.94**
Amortisation for the year	32.03	32.03
As at 31 March 2022	**46.97**	**46.97**
Amortisation for the year	24.70	24.70
As at 31 March 2023	**71.67**	**71.67**
Net Carrying amount		
As at 31 March 2022	**769.08**	**769.08**
As at 31 March 2023	**2,509.44**	**2,509.44**

(a) **On transition to Ind AS (i.e. 1 April 2021), the Company has elected to use fair value as deemed cost for intangible asset and the aggregate of the fair value and adjustments to the carrying amounts reported under previous GAAP is as below:**

Fair Value as on	
As at 01 April 2021	815.26
Carrying amount as per Previous GAAP as at 01 April 2021	0.79
Adjustment due to fair value	815.26
Carrying amount as at 01 April 2021	**816.05**

(b) The Company has fair valued its software as per the accounting policy choice Ind AS 38 "Intangible asset" and the fair valuation is based on the valuation by a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

(c) The Fair value as per report of the valuer is not materially differing from the carrying amount as on 31 March 2022 and therefore there is no revision to the carrying amount

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

6 Financial Assets

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(A) Trade receivables (valued at amortised cost)						
(Unsecured)						
Trade receivables from contract with customers - considered goods - billed	-	-	-	4,577.16	2,880.07	3,773.10
	-	-	-	**4,577.16**	**2,880.07**	**3,773.10**
less: Impairment allowance for trade receivable - credit impaired	-	-	-	-25.56	-	
Total	-	-	-	4,551.60	2,880.07	3,773.10

Notes:

(a) **Trade receivables ageing schedule**

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years		More than 3 years	
Undisputed Trade Receivables – considered good	4,488.51	18.13	60.77	-	-	9.75	4,577.16
Total	4,488.51	**18.13**	**60.77**	-		9.75	**4,577.16**
Net Trade receivables	**4,488.51**	18.13	60.77	-		9.75	4,577.16

As at March 31, 2022

Particulars Unbilled	Outstanding for following periods from the due date of payment						Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years		More than 3 years	
Undisputed Trade Receivables – considered 0	2,558.84	236.37	58.63	-	-	26.24	2,880.07
Total	**2,558.84**	**236.37**	**58.63**	-		26.24	**2,880.07**
Net Trade receivables	**2,558.84**	236.37	58.63	-		26.24	**2,880.07**

(b) Trade receivables are **non-interest** bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(c) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:			
Balance as at beginning of the year	-	-	-
Addition during the year	25.56	-	-
Balance as at the end of the year	25.56	-	-

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(B) Cash and cash equivalents						
Balances with banks						
In current account	-	-		584.43	297.70	5.25
Cash on hand	-	-		0.02	1.62	0.46
	-	-		584.44	299.32	5.71

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(C) Other Bank balances						
Deposits with original maturity of more than three months and less than twelve months	-	-	-	107.42	1,557.52	548.84
	-	-	-	**107.42**	**1,557.52**	**548.84**

Notes:

(a) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between 9 months to 12 months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

IVIS International Private Limited
Standalone Notes to Accounts for 31 March 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(D) Other financial assets (Unsecured, considered good unless otherwise stated)

	Non-current As at March 31, 2023	Non-current As at March 31, 2022	Non-current As at April 01, 2021	Current As at March 31, 2023	Current As at March 31, 2022	Current As at April 01, 2021
Derivatives financial instruments						
Financial assets						
Security deposits	82.76	102.76	-	-	-	33.99
Interest accrued on bank deposits	-	-	-	0.97	8.82	-
Loan to employees	-	-	-	-	0.50	0.88
Interest accrued on inter corporate deposits	-	-	-	271.15	-	-
Rental deposit	40.21	-	-	-	5.40	-
Intercorporate deposit {refer note (a) &(b) below}	2,370.00	-	-	-	-	-
	2,492.97	102.76	-	272.12	14.72	34.87
	2,492.97	102.76	-	272.12	14.72	34.87

Note :

(a) Disclosure as required by Section 186 of the Companies Act, 2013 for Inter- corporate deposit is as below:

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Opening balance	-	-		-	-	-
Given during the year	7,675.00	-		-	-	-
Refunded during the year	5,305.00	-		-	-	-
Closing balance	2,370.00	-		-	-	-

(b) The Company has given following loans to a related party without specifying any period of repayment

Amount Outstanding	2,370.00	-		-	-	-
Percentage to total loans	100%	-		-	-	-

7 Inventories

(Valued at lower of cost and net realisable value unless otherwise stated)

Raw material and components	972.73	753.83	740.50
Finished goods	7.39	-27.68	8.49
	980.12	726.14	748.99

Notes:

(a) Inventory has been pledged/hypothecated as security for borrowing by the company refer note 11A

(b) Inventories recognised as expense during the year ended 31 March 2023 - Rs. 1,015.18 lakhs (31 March 2022 - Rs.330.24 lakhs) and included in cost of raw materials and components consumed

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
8 Other assets						
(Unsecured considered good, unless otherwise stated)						
Capital advances	-	-	-	761.92	-	-
Advance other than capital advance	-	-	-	-	-	-
Advance for material and supplies considered good	22.46	-	-	-	-	17.37
Others	-	-	-	-	-	-
Prepaid expenses	-	-	-	100.81	92.85	45.18
Balances with government authorities considered good	-	-	-	840.28	597.81	544.02
Others	-	-	-	-	19.48	-
Unbilled revenue	-	-	-	-	157.19	37.75
	22.46	-		1,703.01	867.32	644.32
	22.46	-		1,703.01	867.32	644.32

IVIS INTERNATIONAL PVT. LTD.

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	As at 31 March 2023		As at 31 March 2022		As at 01 April 2021	
	Number	Amount	Number	Amount	Number	Amount
9 Share Capital						
Authorised Share Capital						
1,90,00,000 Equity shares of ₹10/- each	1,90,00,000	1,900.00	1,90,00,000	1,900.00	1,90,00,000	1,900.00
(i) **Issued, subscribed and fully paid up**						
Equity share capital						
Equity shares of ₹10/- each with voting rights	1,41,57,219	1,415.72	1,41,57,219	1,415.72	1,41,57,219	1,415.72
	1,41,57,219	**1,415.72**	**1,41,57,219**	**1,415.72**	**1,41,57,219.00**	**1,415.72**
(ii) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**						
Equity shares of ₹10/- each with voting rights						
Balance at the beginning of the year	1,41,57,219	1,415.72	1,41,57,219	1,415.72	1,41,57,219	1,415.72
Balance at the end of the year	**1,41,57,219**	**1,415.72**	**1,41,57,219**	**1,415.72**	**1,41,57,219**	**1,415.72**

(iii) **Details of shareholders holding more than 5% shares in the Company:**

Name of shareholders	As at March 31, 2023		As at March 31, 2022		As at April 01, 2021	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹10/- each with voting rights						
Magellanic Cloud Limited	1,41,57,218	99.99%	-	-	-	-
RAVK Ltd	-	-	35,78,665	25.28%	35,78,665	25.28%
Murali Mohan RVN	-	-	12,67,646	8.95%	12,67,646	8.95%
Balakrishna Vellanki	-	-	12,42,999	8.78%	12,42,999	8.78%
Raja Family Ltd	-	-	10,58,845	7.48%	10,58,845	7.48%

(iv) **Terms/rights attached to equity shares**

The Company has only one class of issued equity shares capital having par value of ₹10- per share (31 March 2021 ₹ 10- per share). Each shareholder is entitled to one vote per share held. The Company has not declared or paid any dividend during the year The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential assets, in proportion to their shareholding.

10 (A) Other equity:

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Securities premium	2,397.53	2,397.53	2,397.53
Revaluation reserves	1,757.90	-	-
Retained earnings	5,352.16	3,862.32	8,00,32,551.22
Total other equity	**9,507.59**	**6,259.85**	**8,00,34,948.75**
(i) **Securities premium**			
Opening balance	2,397.53	2,397.53	2,397.53
Movement during the year	-	-	-
Closing balance	**2,397.53**	**2,397.53**	**2,397.53**
(ii) **Revaluation reserves**			
Opening balance	-	-	-
Movement during the year	1,757.90	-	-
Closing balance	**1,757.90**	-	-
(iii) **Retained earnings**			
Opening balance	3,862.32	2,695.53	359.13
Net profit for the year	1,922.76	1,602.28	1,737.83
Other comprehensive income / (loss) for the year	(432.92)	(32.01)	-
Interiem Dividend	-	(403.48)	(201.74)
Closing balance	**5,352.16**	**3,862.32**	**1,895.22**

IVIS INTERNATIONAL PVT. LTD.

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

11 Financial liabilities

(A) Borrowings (valued at amortised cost)

	Long term borrowing			Short term borrowing		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(a) **Term loans**						
Term loans from bank (secured) (refer note (i) below)	2,349.91	2,408.58	2,311.52	1,176.66	-	1,005.54
Term loans from others (unsecured) (refer note (iv) below)	-	-	1,702.73	500.00	1,202.73	77.35
	2,349.91	**2,408.58**	**4,014.26**	**1,676.66**	**1,202.73**	**1,082.89**

Notes:

(i) **The details of repayment terms, rate of interest, and nature of securities provided in respect of secured term loans from banks are as below:**

Nature of security	Terms of repayment and rate of interest	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Working Capital Term Loan	Commencement of loan is from 21 June 2020 and its maturity date is set for 07 July 2024. The loan bears interest rate of Floating - 9.25%. The lending institution for the loan is HDFC and the associated account number is 8177820.	139.64	239.55	310.04
Working Capital Term Loan	Commencement of loan is from 07 November 2019 and its maturity date is set for 07 April 2024. The loan bears interest rate of Floating - 8.5%. The lending institution for the loan is HDFC and the associated account number is 83997402.	458.81	853.89	1,224.26
Working Capital Term Loan	Commencement of loan is from 07 September 2020 and its maturity date is set for 07 September 2025. The loan bears interest rate of Floating - 8.5%. The lending institution for the loan is HDFC and the associated account number is 84786003.	550.64	746.71	933.38
Working Capital Term Loan	Commencement of loan is from 30 September 2022 and its maturity date is set for 07 November 2027. The loan bears interest rate of Floating - 8.5%. The lending institution for the loan is HDFC and the associated account number is 87056999.	2,377.48	-	-
Working Capital Term Loan	HDFC BANK TERM LOAN - 85222020	-	152.78	182.54
Working Capital Term Loan	ICICI BANK TERM LOAN - 630651001263	-	415.66	450.43
Overdraft account	HDFC BANK - 50200032135275	-	-	216.41
Total		**3,526.57**	**2,408.58**	**3,317.06**

(iii) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon.

(iv) The term loans have used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes.

(v) In pursuant to borrowing taken by the Comapany from banks on security of current assets, the group is required to submit the information periodically which includes the stock statement, book debts statement, revenue, trade receivable and trade payable etc. During the current year, in one of the submissions made, few of company companies have submitted the following financial information to banks, from whom working capital demand loan has been taken, on quarterly basis and information is not reconciled with books as follows:

Month ending	Amount as per books of account	Amount as reported in the quarterly return / statement	Difference	Reason for material discrepancies
Inventory				Information is generally submitted at the start of the month before the books are finalised therefore the information submitted to banks may not contain the closure entries
Dec-31	600.18	587.16	13.02	
Mar-31	980.12	915.19	64.93	
Trade Payables				
Dec-31	777.10	780.07	(2.98)	
Mar-31	1,616.12	1,418.31	197.81	
Trade Receivables				
Dec-31	2,455.41	3,464.33	(1,008.92)	
Mar-31	4,466.26	5,107.55	(641.29)	

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(B) Lease liabilities (valued at amortised cost)						
Lease liabilities (refer note 4)	303.10	-	-	62.00	-	-
	303.10	-	-	**62.00**	-	-
(C) Trade payables (valued at amortised cost)						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	1,616.75	1,049.60	1,552.20
	-	-	-	**1,616.75**	**1,049.60**	**1,552.20**

IVIS INTERNATIONAL PVT. LTD.

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

Notes:

(i) **Trade payables Ageing Schedule**

As at March 31, 2023

Particulars	Not due	Outstanding for following periods from the due date: less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of creditors other than micro enterprises and small enterprises		1,615.19	1.56	-	-	1,616.75
Total	-	**1,615.19**	**1.56**	-	-	**1,616.75**

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from the due date: less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues of creditors other than micro enterprises and small enterprises		1,097.05	0.89	0.02	-	1,097.97
Total	-	**1,097.05**	**0.89**	**0.02**	-	**1,097.97**

(ii) The trade payables are unsecured and non interest-bearing and are usually on varying trade term.

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(D) Other financial liabilities						
Financial liabilities measured at fair value through profit and loss						
Payable to employees	-	-	-	88.94	86.84	120.67
Accrued expenses	-	-	-	86.53	54.02	85.66
	-	-	-	**175.47**	**140.86**	**206.33**
12 Provisions						
Provision for employee benefits						
Provision for Gratuity (refer note 30)	66.10	42.71	34.84	15.23	26.70	5.02
Others	-	-	-	-	-	-
Provision for Bonus	-	-	-	22.50	127.91	-
Provision for Client Deduction	-	-	-	6.66	-	-
	66.10	**42.71**	**34.84**	**44.39**	**154.61**	**5.02**

	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
13 Income tax and deferred tax			
The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022	-	-	-
(a) Income tax expense in the statement of profit and loss comprises :			
Current income tax charge	757.05	394.67	676.97
Total current income tax	**757.05**	**394.67**	**676.97**
Deferred Tax charge / (credit)	87.53	139.70	-
Income tax expense reported in the statement of profit or loss	**844.58**	**394.67**	**676.97**
(b) Other Comprehensive Income			
Tax expense related to items recognised in Other comprehensive income during the year:			
Deferred tax on re-measurement loss on defined benefit plans	(3.21)	-	-
Income tax on other item in other comprehensive income	(442.46)	-	-
Income tax related to items recognised in Other comprehensive income during the year	**(445.67)**	-	-

(c) Deferred tax liabilities /assets comprises :

	Balance Sheet		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Deferred tax liabilities (net)			
Property, plant and equipment and intangible assets	935.11	816.67	-
Prepaid Expenses for Processing fees	2.27	-	-
On revaluation of assets	442.46	-	-
	1,379.84	**816.67**	-
	1,379.84	**816.67**	-
Deferred tax assets (net)			
Other - Security deposits	2.47		
Right of Use	0.59		
Provision for Gratuity	20.47		
Provision for ECL	6.43		
(B)	**29.96**	-	-
Net Deferred tax liabilities	**1,349.88**	**816.67**	-

14 Contract balances

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
(A) Trade Receivables {refer note (a) below and note 6(D)}				4,551.60		

Notes

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

(b) The company has entered into the agreements with customers for sales of goods and services. The company has identified these performance obligations and recognised the same as contract liabilities in respect of contracts, where the company has obligation to deliver the goods and perform specified services to a customer for which the company has received consideration. Contract liabilities have increased in the current year on account of increase in advance from customer pursuant to increase in business.

	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
14 Other liabilities						
Statutory dues payable	-	-	-	215.17	349.65	125.85
Share application money pending allotment	-	-	-	0.05	0.05	0.05
Dividend Payable	-	-	-	-	4.72	1.57
	-	-	-	**215.21**	**354.42**	**127.47**
15 Current tax liability	-	-	-	757.05	440.09	45.42
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	-	**757.05**	**440.09**	**45.42**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

	For the year ended March 31, 2023	For the year ended March 31, 2022
15 Revenue from operations		
Revenue from contract with customers		
Sale of products	1,139.29	374.71
Sale of services	10,341.20	10,476.37
Total revenue from operations	**11,480.49**	**10,851.08**
Notes:		
(i) **Timing of revenue recognition**		
Goods transferred at a point in time	1,139.29	374.71
Services transferred over the time	10,341.20	10,476.37
Total revenue from operations	**11,480.49**	**10,851.08**

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

The transaction price allocated to remaining performance obligation (unsatisfied performance obligation) pertaining to sales of services as at March 31, 2022 and expected time to recognise the same as revenue is as follows:

Within one year	10,341.20	10,476.37
More than one year	-	-
	10,341.20	**10,476.37**

16 Other Income		
Interest from banks	12.71	41.54
Interest on income tax refund	10.80	
Interest on ROU deposit	0.96	
Interest from Intercorporate Deposit	301.28	-
Opening Stock Difference	59.50	-
	385.25	**41.54**

	For the year ended March 31, 2023	For the year ended March 31, 2022
17 Cost of raw materials and components consumed		
Raw materials and components at the beginning of the year		
Add: Purchases during the year	1,015.19	330.25
	1,015.19	**330.25**
20 Employee benefits expense		
Salaries, wages and bonus	1,166.19	1,177.38
Contribution to provident and other funds	43.39	36.17
Employees share based payment expense	15.42	14.83
Net defined benefit plan expense (Gratuity, Pension and other defined benefit plan) (Refer note 25)	24.67	31.39
Staff welfare expense	16.76	25.42
Training expenses	13.27	11.06
	1,279.70	**1,296.24**
21 Finance costs		
Interest on borrowings	460.17	446.86
Interest expense on lease liabilities	13.89	-
BG Commission	3.08	2.96
Processing fees	7.19	-
Bank charges	0.59	1.10
	484.93	**450.92**
22 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer note 3)	1,670.72	1,641.63
Amortisation on intangible assets (refer note 5)	24.70	0.01
Depreciation on right-of-use assets (refer note 4)	33.17	-
	1,728.59	**1,641.64**

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(All amounts in Indian ₹ in lakhs, unless otherwise stated)

		For the year ended March 31, 2023	For the year ended March 31, 2022
23	**Other expenses**		
	Power and fuel	18.75	15.78
	Rent	37.17	36.65
	Lease Rent	288.84	267.84
	Repairs and maintenance	471.41	556.36
	Rates and taxes	-	12.49
	Travelling and conveyance expense	64.01	8.32
	Legal and professional charges {refer note (i) below}	328.41	793.22
	Insurance expense	0.68	0.68
	Advertisement and sales promotion expense	3.63	7.33
	Printing and stationery expense	4.07	5.31
	Bad trade written off	-	39.03
	Contribution towards corporate social responsibility expense (CSR)	32.48	7.79
	Freight and other distribution expense	98.50	98.28
	Exchange fluctuations (net)	10.73	-
	Research and development expenses	3.02	8.30
	Annual maintenance charges	12.67	4.95
	Miscellaneous expenses	29.11	19.94
	Audit Fee	4.00	5.00
	Expected Credit Loss	25.56	-
	Filing Fee and Stamp Duty	0.86	0.13
	Field Maintenance Expenses	214.28	252.99
	BEAT MARSHALL EXPENSES	1,862.47	1,894.54
	Accounting Fee	53.43	67.58
	Penalty on GST/ROC	0.27	0.04
	Commission / Brokerage	50.00	-
	Bidding Expenses	0.60	-
	Office Maintenance	39.97	30.13
	Software Expenses	4.49	14.10
	Server Maintenance	215.29	193.44
	Internet & Telephone	664.56	682.28
	Registration & Renewals	10.28	8.21
	Interest on EPF ESI GST TDS	7.00	3.20
	Security Services	3.11	2.92
	Client Deductions	30.34	0.08
		4,589.98	**5,036.92**

Note:

(i) **Details of payments to auditors**

	For the year ended March 31, 2023	For the year ended March 31, 2022
As auditor:		
Audit fee	4.00	5.00
Total (included in legal and professional charges)	**4.00**	**5.00**

(ii) **Contribution towards corporate social responsibility expense (CSR)**

	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) amount required to be spent by the company during the year,	32.02	-
(b) amount of expenditure incurred,	13.00	-
(c) amount of previous year excess spent	19.48	-
(d) Amount spent during the year on		
ii) On purposes other than above	**32.48**	-
(e) Excess spent during the year	0.46	-

24 **Earnings per share (EPS)**

	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit for the year	1,922.76	1,602.28
Weighted average number of Equity Shares (in Nos.)		
- Basic	1,41,57,219.00	1,41,57,219.00
- Diluted	1,41,57,219.00	1,41,57,219.00
Basic earnings per share in rupees (Face value ₹10 per share) (In rupees)	13.58	11.32
Diluted earnings per share in rupees (Face value ₹10 per share) (In rupees)	13.58	11.32

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(All amounts in Indian ₹ in lakhs, unless otherwise stated)

25 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The Group operates following defined benefit obligations:

(a) Defined benifit plan : Please specify nature and measurement principles

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) Net defined benefit asset/ (liability) recognised in the balance sheet

Particulars	Pension Benefits		Other Defined Benefits	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	-	-	81.33	26.70
Fair value of plan assets	-	-	-	-
Net asset/(liability) recognized in consolidated balance sheet	-	-	**81.33**	**26.70**
Non-current portion term	-	-	66.10	26.70
Current portion	-	-	15.23	-

(ii) Net defined benefit expense (recognised in the statement of profit and loss for the year)

Particulars	Pension Benefits		Other Defined Benefits	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Current service cost	-	-	19.55	14.58
Interest cost (net)	-	-	5.12	2.75
Net defined benefit expense debited to statement of profit and loss	-	-	**24.67**	**17.33**

(iii) The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-

Particulars	Pension Benefits		Other Defined Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:				
Actuarial changes arising from changes in financial assumptions	-	-	(1.50)	(3.71)
Actuarial changes arising from changes in experience adjustments	-	-	(11.25)	15.93
Closing defined benefit obligation	-	-	**(12.76)**	**12.23**

(iv) Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):

Particulars	Pension Benefits		Other Defined Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:				
Actuarial changes arising from changes in financial assumptions			(1.50)	(3.71)
Actuarial changes arising from changes in experience adjustments			(11.25)	15.93
Return on plan assets, excluding amount recognised in net interest expense				
Recognised in other comprehensive income	-	-	**(12.76)**	**12.23**

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(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(v) **Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Pension Benefits		Other Defined Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	0.00%	0.00%	7.52%	7.38%
Future salary increase	0.00%	0.00%	5.00%	5.00%
Expected return on plan assets	-	-	-	-
Retirement age (in years)	0	0	58	0

(vi) **Quantitative sensitivity analysis for significant assumptions is as shown below:**

Particulars	Pension Benefits		Other Defined Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
1% increase in discount rate	-	-	71.80	-
1% decrease in discount rate	-	-	93.12	-
1% increase in salary escalation rate	-	-	93.52	-
1% decrease in salary escalation rate	-	-	71.09	-
1% increase in withdrawal rate	-	-	84.02	-
1% decrease in withdrawal rate	-	-	78.09	-
10% increase in mortality rate	-	-	81.40	-
10% decrease in mortality rate	-	-	81.26	-

(vii) **Maturity profile of defined benefit obligation:**

Particulars	Pension Benefits		Other Defined Benefits	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
Within 1 year	-	-	15.73	-
2 to 5 years	-	-	2.57	-
6 to 10 years	-	-	4.14	-
More than 11 years	-	-	255.80	-

(viii) 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

(ix) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the

(x) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary

(xi) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to provident and other funds	43.39	36.17
Total	**43.39**	**36.17**

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Standalone Notes to Accounts for 31 March 2023
(All amounts in Indian ₹ in lakhs, unless otherwise stated)

26 Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) **Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:**

Entity Name	Relationship
Magellanic Cloud Limited	100% Holding company since 14.11.2022
Provigil Surveillance Limited	Fellow Subsidiary with effect from 09.11.2022

(ii) **Key management personnel**

Name	Relationship
Joe Sudheer Reddy Thumma	Director
Venkata Nagendra Murali Mohan Rachapoodi	Director
Balakrishna Vellanki	Director
Prabhakar Rao Bollina	Director

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(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(B) Transactions with related parties

(i) Transactions with related parties for the year ended March 31, 2023

Particulars	March 31, 2023	March 31, 2022
Sale of goods		
Provigil Surveilliance Limited	10.67	14.54
	10.67	**14.54**
Remuneration		
Balakrishna Vellanki (Director)	24.00	34.80
Prabhakar Rao Bollina (Director)	9.00	12.00
	33.00	**46.80**
Purchase of property, plant and equipment		
Provigil Surveilliance Limited	88.25	
	88.25	-
Services rendered		
Provigil Surveilliance Limited	9,334.79	9,638.92
	9,334.79	**9,638.92**
Interest income		
Magellanic Cloud Limited	305.10	
	305.10	-
Unsecured loan given (Intercorporate Deposit)		
Magellanic Cloud Limited	7,675.00	
	7,675	-
Unsecured loan received (ICD Repayments received)		
Magellanic Cloud Limited	5,305.00	
	5,305.00	-
	22,751.81	**9,700.26**

(C) Balances with related parties

(i) Balances Outstanding as at March 31, 2023

Particulars	March 31, 2023	March 31, 2022
Receivables		
Provigil Surveilliance Limited	5,997.16	2,313.27
	5,997.16	**2,313.27**

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

(D) Key managerial personnel compensation

Remuneration to Key Managerial other than CMD

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Balakrishna Vellanki (Director)	24.00	34.80
Prabhakar Rao Bollina (Director)	9.00	12.00
Total	**33.00**	**46.80**

IVIS INTERNATIONAL PVT. LTD.

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

27 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at fair value through profit or loss				
Derivatives financial instruments	-	-	-	-
Investments measured at fair value through profit and loss	-	-	-	-
Unquoted equity investments measured at fair value through profit and loss:	-	-	-	-
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	2,765.09	2,765.09	117.48	117.48
Trade receivables (current and non current)	4,551.60	4,551.60	2,880.07	2,880.07
Cash and cash equivalents	584.44	584.44	299.32	299.32
Other bank balances (current and non current)	107.42	107.42	1,557.52	1,557.52
Total	**8,008.55**	**8,008.55**	**4,854.39**	**4,854.39**
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	4,026.57	4,026.57	3,611.31	3,611.31
Lease liabilities (current and non current)	365.10	365.10	-	-
Other financial liabilities (current and non current)	175.47	175.47	140.86	140.86
Trade payables (current and non current)	1,616.75	1,616.75	1,049.60	1,049.60
Total	**6,183.89**	**6,183.89**	**4,801.77**	**4,801.77**

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

(i) Fair value hierarchy

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Derivatives financial instruments	-	-	-	-
Investments measured at fair value through profit and loss	-	-	-	-
Unquoted equity investments measured at fair value through profit and loss	-	-	-	-
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	2,765.09	-	-	2,765.09
		-	-	-
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	4,026.57	-	-	4,026.57
Lease liabilities (current and non current)	365.10	-	-	365.10
Other financial liabilities (current and non current)	175.47	-	-	175.47

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

Particulars	Carrying value	Fair Value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at fair value through profit or loss				
Derivatives financial instruments	-	-	-	-
Investments measured at fair value through profit and loss	-	-	-	-
Unquoted equity investments measured at fair value through profit and loss:	-	-	-	-
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	117.48	-	-	
	4,854.39	-	-	
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	3,611.31	-	-	3,611.31
Lease liabilities (current and non current)	-	-	-	-
Other financial liabilities (current and non current)	140.86	-	-	140.86

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

28 Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's main interest rate risk arises from long-term borrowings with variable rates. The company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2022, after taking into account the effect of interest rate swaps, the company has following fixed rate and variable rate borrowing:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings		
Fixed rate borrowings		
Total	4,026.57	3,611.31

(a) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

The table below summarises the maturity profile of the company's financial liabilities based on contractual

As at March 31, 2023	Less than 1 Years	1-5 Years	More than 5 Years	Total
Borrowings	1,676.66	2,349.91	-	4,026.57
Lease liabilities (undiscounted)	-	-	-	-
Trade payable	1,616.75	-	-	1,616.75
Other financial liabilities	175.47	-	-	175.47
As at March 31, 2022				
Borrowings	1,202.73	2,408.58	-	3,611.31
Lease liabilities (undiscounted)	-	-	-	-
Trade payable	1,049.60	-	-	1,049.60
Other financial liabilities	140.86	-	-	140.86

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade Receivables

The company has developed guidelines for the management of credit risk from trade receivables. The company's primary customers are major automobile manufacturers with good credit ratings. All customer are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default. The company has deposited liquid funds at various banking institutions and mutual funds with AMC. No impairment loss is considered necessary in respect of these fixed deposits and mutual funds that are with recognised commercial banks and AMC and are not past due over past years.

Customer credit risk is managed by each business unit subject to the company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the company.

	As at March 31, 2023	As at March 31, 2022
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	2,765.09	117.48
Cash and cash equivalents	584.44	299.32
Other bank balances (current and non current)	107.42	1,557.52
Investments measured at fair value through profit and loss:	-	-
	3,456.95	**1,974.32**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	4,551.60	2,880.07
	4,551.60	**2,880.07**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars		
Trade Receivables		
Neither past due nor impaired	-	-
0 to 180 days due past due date	4,488.51	2,558.84
More than 180 days past due date	63.09	321.23
Total Trade Receivables	**4,551.60**	**2,880.07**

29 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	**March 31, 2023**	**March 31, 2022**
Loan and borrowing *	4,026.57	3,611.31
Less : Cash and cash equivalent	(584.44)	(299.32)
Net debts	**3,442.13**	**3,311.99**
Equity / Net Worth	10,923.31	7,675.57
Total Capital	**10,923.31**	**7,675.57**
Capital and Net debts	**14,365.44**	**10,987.56**
Gearing Ratio (Net Debt/Capital and Net Debt)	**23.96%**	**30.14%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

* Borrowings does not includes Lease liabilities

30 Explanation of transition to Ind AS

As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For upto and including the year ended 31 March 2022, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended 31 March 2023 including the comparative information for the year ended 31 March 2022 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2021.

A. Optional exemptions availed

1 Property plant and equipment

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a Indian GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
– fair value;
– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Indian GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

The Company has elected to continue with the carrying value of all of its PPE recognised as at April 1, 2021 (transition date) measured as per Indian GAAP and use that carrying amount as the deemed cost as on transition date.

B Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Indian GAAP unless there is objective evidence that those estimates were in error.
However, the estimates should be adjusted to reflect any differences in accounting policies.
As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).
The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Indian GAAP are listed below:

Impairment of financial assets based on the expected credit loss model.
Determination of the discounted value for financial instruments carried at amortised cost.

2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

IVIS INTERNATIONAL PVT. LTD.

Reconciliation of Equity

		Note	As at the date of Transition 1 April 2021			As at 31 March 2022		
			Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
A	**ASSETS**							
1	**Non-current assets**							
	(a) Property, plant and equipment		7,437.63	-	7,437.63	6,944.10	(1.00)	6,943.10
	Right of use assets		-	-	-	-	-	-
	(b) Capital work-in-progress		259.60	-	259.60	124.80	-	124.80
	Other Intangible assets	a	0.80	800.00	801.11	0.79	768.00	769.08
	(d) Financial assets		-	-	-	-	-	-
	(i) Other non-current financial assets	b	33.99	(34.00)	-	108.16	(5.00)	102.76
	(e) Deferred tax assets		-	-	-	-	-	-
	Total non-current assets		**7,732.02**	**766.00**	**8,498.34**	**7,177.85**	**762.00**	**7,939.75**
2	**Current Assets**							
	(a) Inventories		748.99	-	748.99	726.14	-	726.14
	(b) Financial assets		-			-		
	(i) Trade receivables	c	3,790.48	(17.00)	3,773.10	2,880.07	-	2,880.07
	(ii) Cash and cash equivalents	c	551.44	(546.00)	5.71	1,856.84	(1,558.00)	299.32
	(iii) Bank balance other than (ii) above	c	-	549.00	548.84	-	1,558.00	1,557.52
	(iv) Other financial assets	b	-	35.00	34.87	48.87	(34.00)	14.72
	(c) Other current assets	c	630.05	14.00	644.32	834.39	33.00	867.32
	Total current assets		**5,720.96**	**35.00**	**5,755.83**	**6,346.31**	**(1.00)**	**6,345.09**
	Total assets		**13,452.98**	**801.00**	**14,254.17**	**13,524.16**	**761.00**	**14,284.84**
B	**EQUITY AND LIABILITIES**							
1	**Equity**							
	(a) Equity share capital		1,415.72	-	1,415.72	1,415.72	-	1,415.72
	(b) Other equity	a	4,292.75	800.00	5,093.06	5,491.56	768.00	6,259.85
	Total Equity		**5,708.47**	**800.00**	**6,508.78**	**6,907.28**	**768.00**	**7,675.57**
2	**Non-current liabilities**							
	(a) Financial liabilities							
	(i) Borrowings		4,014.26	-	4,014.26	2,613.56	(205.00)	2,408.58
	(ii) Lease Liabilities		-	-	-	-	-	-
	(b) Deferred tax liabilities (net)		676.97	-	676.97	816.67	(1.00)	815.67
	(c) Provisions		34.84	-	34.84	42.71	-	42.71
	Total non-current liabilities		**4,726.06**	**-**	**4,726.07**	**3,472.95**	**(206.00)**	**3,266.96**
3	**Current liabilities**							
	(a) Financial liabilities							
	(i) Borrowings		1,082.89	-	1,082.89	997.75	205.00	1,202.73
	(ii) Lease Liabilities		-	-	-	-	-	-
	(iii) Trade payables		-	-	-	-	-	-
	(a) Total outstanding dues of micro and small enterprises	c	223.67	(224.00)	-	318.29	(318.00)	-
	(b) Total outstanding dues of creditors other than micro and small enterprises	c	1,356.94	195.00	1,552.20	779.68	270.00	1,049.60
	(iii) Other current financials liabilities	c	-	206.00	206.33	-	141.00	140.86
	Current tax liabilities	c	-	45.00	45.42	-	440.00	440.09
	(b) Other current liabilities	c	333.79	(329.00)	5.02	623.18	(269.00)	354.42
	(c) Short term provisions	c	50.44	77.00	127.47	425.03	(270.00)	154.61
	Total current liabilities		**3,047.74**	**(30.00)**	**3,019.33**	**3,143.93**	**199.00**	**3,342.31**
	Total Equity and Liabilities		**13,482.27**	**770.00**	**14,254.18**	**13,524.16**	**761.00**	**14,284.84**

*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

IVIS INTERNATIONAL PVT. LTD.

Reconciliation of total comprehensive income for the year ended 31 March 2022

	Particulars	Note	Year ended 31 March 2022		
			Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
A.	**Income:**				
(a)	Revenue from operations		10,851.08	-	10,851.08
(b)	Other income		41.54	-	41.54
	Total income		**10,892.62**	-	**10,892.62**
B.	**Expenses:**				
(a)	Cost of raw materials and components consumed		313.43	17.00	330.25
(b)	Employee benefits expense		1,285.19	11.00	1,296.24
(c)	Finance costs		450.92	-	450.92
(d)	Depreciation		1,641.64	-	1,641.64
(e)	Other expenses		5,064.79	(29.00)	5,036.92
	Total expenses		**8,755.96**	**(1.00)**	**8,755.97**
5	**Profit before exceptional items and tax (3-4)**		**2,136.66**	**1.00**	**2,136.65**
6	Exceptional items		-	-	-
C.	**Profit before tax (A-B)**		**2,136.66**	**1.00**	**2,136.65**
D.	**Income Tax expense:**				
	(Excess) of earlier years		-	-	-
	Current tax		394.67	-	394.67
	Deferred tax expenses	b	139.70	(1.00)	138.70
	Total tax expense / (credit)		**534.37**	**(1.00)**	**533.37**
	Other comprehensive income for the year, net of tax		-	-	-
E.	**Profit/(Loss) after tax (C- D)**		**1,602.29**	**2.00**	**1,603.28**
F.	**Total comprehensive income/(loss) for the year**		**1,602.29**	**2.00**	**1,603.28**

*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Foot Notes to the reconciliations

a On Transition to Ind AS the Company has applied revaluation model for Intangible Asset as per Ind AS 38. The fair value as on the transition date is adjusted to the carrying amount and corresponding impact is taken to retained earnings. Post transition date the impact is routed through other comprehensive income.

b On transition date, the change is on account of application of Ind AS 19- Employee benefits which requires changes in assumptions to be recognized in Other Comprehensive Income as per acturial valuation report.

c On transition date, the impact is on account of reclassification of items within the interhead adjustments in the balance sheet

d **Deferred Tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

The summary of deferred tax balances as per Indian GAAP viz-a-viz Ind AS is summarised below with the reasons for such variance.

Deferred Tax Asset / (Liabilities)	Indian GAAP	Ind AS	Difference	Remarks
31 March 2022	(817)	(816)		(1) There is no difference in deferred tax as per IGAAP & Ind AS
1 April 2021	(677)	(677)	-	

e **Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS:**

Particulars	Note	As at 31 March 2022	As at 1 April 2021
Equity as per Indian GAAP		5,491.56	4,292.75
Adjustments:			
Impact of deposit under Ind AS 109	a	41.54	-
Impact of recognition of lease as per Ind AS 116	a	29.00	-
Impact of Employee Benefit	b	11.00	-
Impact of Deferred Tax	b	-	-
		81.54	-
Equity as per Ind AS		**5,573.10**	**4,292.75**

Effect of Ind AS adoption on the Standalone Statement of Cash Flow for the year ended 31 March 2022

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	4,645.76	(31.47)	4,614.29
Net cash flows from investing activities	(1,007.33)	(973.11)	(1,980.44)
Net cash flows from financing activities	(2,333.03)	(7.21)	(2,340.24)
Net increase in cash and cash equivalents	1,305.40	(1,011.79)	293.61
Cash and cash equivalents at the beginning of the year	551.44	(545.73)	5.71
Cash and cash equivalents at end of the year	1,856.84	(1,557.52)	299.32

(All amounts in Indian ₹ in lakhs, unless otherwise stated)

31 Additional information required

(i) **Details of Benami property:** No proceedings have been initiated on or are pending against any of the group companies for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

(iii) **Compliance with approved scheme of arrangements:** The Company has entered into any scheme of arrangement which has an accounting impact on

(iv) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, 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

The Company has not received any fund from any person or entity, 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

(v) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or

(vi) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) during the current or previous year. The Company has adopted revaluation model for intangible assets

(vii) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(viii) **Ratios**

	As at 31 March 2023	As at 31 March	Variance	% change
Current ratio (in times) (refer (a) below) Total current assets/Total current liabilities	1.80	1.90	-0.10	-5.03%
Debt-Equity ratio (in times) (Debt consists of borrowings and lease liabilities)/(Total Equity)	0.40	0.47	-0.07	-14.55%
Return on equity ratio (in %) (Profit for the year less Preference dividend (if any))/(Average total equity)	19%	20%	-0.01	-4.10%
Trade receivables turnover ratio (in times) (Revenue from operations)/(Average trade receivables)	1.92	2.28	-0.36	-15.83%
Net capital turnover ratio (in times) (Revenue from operations)/(Average Working Capital)	2.23	2.48	-0.25	-10.25%
Net profit ratio (in %) (Profit for the year)/(Revenue from operations)	24%	20%	0.04	22.42%
Return on capital employed (in %) (Profit before tax and finance costs)/(Capital employed = Net worth + Lease liabilities + Deferred tax liabilities)	16%	17%	-0.01	-5.99%
Inventory turnover ratio (Cost of goods sold OR sales)/(Average Working Capital)	855%	986%	-1.31	-13.31%

The comparative previous year figures are reclassified or regrouped, wherever required.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached
For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : 30 May 2023

For and on behalf of the Board of Directors of
IVIS International Private Limited
CIN : U74900TG2014PTC170088

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Murali Mohan Rachapoodi
Director
DIN No. 05129064

Manikanta Jagu
Company Secretary
Membership No. A62014

Place : Hyderabad
Date : 30 May 2023

Provigil Surveillance Limited
Standalone Balance Sheet as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
ASSETS				
I Non-current assets				
Property, plant and equipment	3	109.67	122.53	38.54
Right of use assets	4	347.11	128.34	177.63
Capital work in progress	3	64.50	-	-
Other Intangible assets	5	2.20	-	-
Financial assets	6			
(i) Other financial assets		2,307.15	324.59	397.68
Deferred tax assets	12	92.30	15.61	19.28
Current Tax Assets	7	291.92	348.17	373.63
Total non-current assets		**3,214.85**	**939.24**	**1,006.76**
II Current assets				
Financial assets	6			
(i) Trade receivables		2,634.19	2,544.92	2,373.50
(ii) Cash and cash equivalents		3,622.52	1,139.29	18.05
(iii) Bank balances other than (ii) above		217.47	663.09	1,205.01
Other current assets	7	43.50	36.31	121.42
Total current assets		**6,517.67**	**4,383.60**	**3,717.98**
Total assets		**9,732.52**	**5,322.84**	**4,724.74**
EQUITY AND LIABILITIES				
I Equity				
Equity share capital	8	106.67	106.67	106.67
Other equity	9	2,834.79	2,104.52	1,071.30
Total equity attributable to owners of the Company		**2,941.46**	**2,211.19**	**1,177.97**
Total equity		**2,941.46**	**2,211.19**	**1,177.97**
II Liabilities				
i Non-current liabilities				
Financial liabilities	10			
(i) Borrowings		2,315.13	-	175.00
(ii) Lease liabilities		279.37	64.35	123.08
Long term Provisions	11	42.66	-	-
Total non-current liabilities		**2,637.16**	**64.35**	**298.08**
ii Current liabilities				
Financial liabilities	10			
(i) Borrowings		313.87	-	-
(ii) Lease liabilities		85.73	58.72	40.65
(iii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises		3,322.96	2,342.48	2,840.95
(b) total outstanding dues of creditors other than micro and small enterprises		11.23	71.58	12.33
(iv) Other financial liabilities		85.13	62.26	22.74
Current tax liabilities	15	251.89	358.90	216.75
Other current liabilities	14	65.75	87.48	80.96
Short term Provisions	11	17.34	65.87	34.32
Total current liabilities		**4,153.90**	**3,047.29**	**3,248.69**
Total Equity and Liabilities		**9,732.52**	**5,322.84**	**4,724.74**

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No. 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : May 29, 2023

For and on behalf of the Board of Directors of
Provigil Surveillance Limited
CIN : U65993TG1992PLC014157

Murali Mohan R V N
Director
DIN No. 05129064

Place : Hyderabad
Date : May 29, 2023

Joseph Sudheer Reddy Thumma
Director
DIN No. 0703

PROVIGIL SURVEILLANCE LIMITED

Provigil Surveillance Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
I	**Income**			
	Revenue from operations	16	11,510.94	12,027.44
	Other income	17	61.86	44.60
	Total income		**11,572.80**	**12,072.05**
II	**Expenses**			
	Cost of raw materials and components consumed	18	10.67	14.54
	Cost of Services	19	9,334.79	9,638.92
	Employee benefits expense	20	699.39	476.99
	Finance costs	21	24.98	10.68
	Depreciation and amortisation expense	22	107.36	90.40
	Other expenses	23	362.87	408.72
	Total expenses		**10,540.06**	**10,640.24**
III	**Profit before tax**		**1,032.73**	**1,431.81**
IV	**Income tax expense**	12		
	Current tax		250.81	358.90
	Deferred tax charge/(credit)		(76.61)	2.53
	Total tax expense		**174.21**	**361.43**
V	**Profit for the year**		**858.52**	**1,070.38**
VI	**Other comprehensive income**			
(a)	**Items that will not be reclassified to profit or loss in subsequent periods**			
	(i) Remeasurements gains/(losses) on defined benefit plans		(0.33)	4.52
	(ii) Income tax effect on above		0.08	(1.14)
	Other comprehensive income for the year, net of tax		**-0.25**	**3.38**
VII	**Total comprehensive income for the year, net of tax**		**858.28**	**1,073.76**
XIII	**Earnings per equity share [nominal value of share ₹ 1 (Previous year ₹ 1)]**	24		
	Basic earning per share(₹)		8.05	10.07
	Diluted earning per share(₹)		8.05	10.07

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : May 29, 2023

For and on behalf of the Board of Directors of
Provigil Surveillance Limited
CIN : U65993TG1992PLC014157

Murali Mohan R V N
Director
DIN No. 05129064

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Place : Hyderabad
Date : May 29, 2023

Provigil Surveillance Limited

Standalone Statement of changes in equity for the year ended March 31, 2023

(All amounts in INR lakhs, unless otherwise stated)

(a) Equity share capital

Particulars	Nos.	Amount
Balance as at April 01, 2021	1,07,00,000	107.00
Issue of equity shares	-	-
Balance as at March 31, 2022	1,07,00,000	107.00
Issue of equity shares	-	-
Balance as at March 31, 2023	1,07,00,000	107.00

(b) Other equity

Particulars	Securities premium	General Reserves	Retained Earnings	Total other equity
As at April 01, 2021	99.00	17.40	954.90	1,071.30
Profit for the year	-	-	1,070.38	1,070.38
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	3.38	3.38
Total Comprehensive income for the year	-	-	1,073.76	1,073.76
Dividend paid during the year	-	-	(40.53)	(40.53)
As at March 31, 2022	99.00	17.40	1,988.13	2,104.52
Profit for the year	-	-	858.52	858.52
Re-measurement gains / (losses) on defined benefit plans net of tax	-	-	(0.25)	(0.25)
Total Comprehensive income for the year	-	-	858.28	858.28
Dividend paid during the year	-	-	(128.00)	(128.00)
As at March 31, 2023	99.00	17.40	2,718.40	2,834.79

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : May 29, 2023

For and on behalf of the Board of Directors of
Provigil Surveillance Limited
CIN : U65993TG1992PLC014157

Murali Mohan R V N
Director
DIN No. 05129064

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Place : Hyderabad
Date : May 29, 2023

PROVIGIL SURVEILLANCE LIMITED

Provigil Surveillance Limited
Standalone Cash Flow as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A Cash flows from operating activities :		
Profit before tax	1,032.73	1,431.81
Adjustments to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	15.36	90.40
Depreciation on ROU Asset	91.99	-
Interest income on bank deposits and others	(61.21)	(44.60)
Finance costs	2.32	10.68
Interest on Lease Liabilities	22.67	-
Gain/Loss on derecognition of Lease Liabilities	0.52	-
Provision for Defined benefit obligation	8.10	5.87
Net loss / (profit) on sale of property, plant and equipment	(0.65)	-
Operating Profit before working capital changes	**1,111.83**	**1,494.15**
Movement in working capital		
(Increase)/ Decrease in inventories		
(Increase)/ Decrease in trade receivables	(89.26)	(171.42)
(Increase)/ Decrease in Other current assets	(7.19)	85.11
(Increase)/ Decrease in other non-Current assets	1.80	511.05
(Increase)/ Decrease in other non-financial assets	(1,988.08)	73.09
Increase/ (Decrease) in trade payables	920.14	(439.22)
Increase/ (Decrease) in other financial liabilities	22.87	39.53
Increase/ (Decrease) in other current liabilities	(21.74)	6.53
Increase/ (Decrease) in provisions	(14.30)	(328.70)
Cash generated from operations	**(63.94)**	**1,270.12**
Less: Income tax paid (net of refund)	(303.38)	(343.45)
Net Cash flows from operating activities (A)	**(367.31)**	**926.67**
B Cash flows from investing activities		
Purchase of property, plant and equipment	(89.64)	(125.09)
Payment towards capital Work in progress	(64.50)	-
Purchase of Intangible assets	(2.73)	-
Proceeds from sale of property, plant and equipment and intangible assets	88.32	-
Interest received on bank deposits	61.21	44.60
Receipts from maturity of Fixed deposits	445.62	541.93
Net cash used in investing activities (B)	**438.28**	**461.43**
C Cash flows from financing activities		
Repayment of long term borrowings	-	(175.00)
Proceeds from long term borrowings	2,629.00	-
Finance Cost Paid	(2.32)	(0.25)
Payment of lease liabilities	(86.41)	(51.09)
Payment of dividend	(128.00)	(40.53)
Net cash used in financing activities (C)	**2,412.27**	**(266.88)**
Net Increase/ (decrease) in cash and cash equivalents(A+B+C)	**2,483.23**	**1,121.23**
Cash and cash equivalents as at beginning	**1,139.29**	**18.05**
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents as at closing	**3,622.52**	**1,139.28**

PROVIGIL SURVEILLANCE LIMITED

Provigil Surveillance Limited
Standalone Cash Flow as at March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022

Notes

1 The above Cash flow statement has been prepared under the "Indirect Method" as set out in IND AS 7, 'Statement of Cash Flows'.

2 **Components of cash and cash equivalents**

Cash and cash equivalents		
Balances with banks		
In current / cash credit accounts	3,622.51	1,139.27
Cash on hand	0.01	0.01
Cash and cash equivalents at the end of the year	**3,622.52**	**1,139.29**

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : May 29, 2023

For and on behalf of the Board of Directors of
Provigil Surveillance Limited
CIN : U65993TG1992PLC014157

Murali Mohan R V N
Director
DIN No. 05129064

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

Place : Hyderabad
Date : May 29, 2023

PROVIGIL SURVEILLANCE LIMITED

1 Background

Provigil Surveillance Limited ("Provigil or "the Company") is a Domestic Company domiciled in India and incorporated on 30th April 1992 under the provisions of the Companies Act, 2013. The registered office of the Company is at 3rd floor, Western Dallas center, Survey no 83/1, Raidurg village, Hyderabad. The Company is engaged in video monitoring/surveillance services and sale of monitoring/surveillance equipment.

2 Summary of Significant accounting policies

2.1 Basis of preparation of financial statements

In accordance with the notification issued by Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 01 April 2021. For all periods up to and including the year ended 31 March 2022, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These Standalone financial statements for the year ended 31 March 2023 are the first the Company has prepared in accordance with Ind AS. Refer to note 30 for information on how the Company adopted Ind AS.

Compliance with Ind AS: The financial statements have been prepared to comply, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act'), read with Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

Classification of assets and liabilities : All assets and liabilities have been classified as current or non-current based on the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Deferred tax assets and liabilities are classified as non-current on net basis.

Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

2.2 Revenue Recognition:

Revenue from time and material contracts is recognised as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognised as unbilled revenue. Revenue from contract with customers is is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. Revenue is measured based on transaction price, which is the consideration, net of indirect taxes, discounts, rebates, credits, concessions, incentives, penalties, or other similar items.

Fixed-price maintenance revenue is recognized ratably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period.Revenue from fixed-price maintenance contract is recognized ratably using a percentage of completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Contracts assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
Contract liability ("Unearned revenue") arises when there are billing in excess of revenue.

Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

2.3 Property plant and equipment

(i) Tangible property plant and equipment:

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any.

Cost includes financing cost relating to borrowed funds attributable to the construction or acquisition of qualifying tangible assets up to the date the assets are ready for use.

When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in the Statement of Profit and Loss.

The management's estimate of useful lives are in accordance with Schedule II to the Companies Act, 2013.

(ii) **Depreciation/Amortisation:**

Depreciation is provided on straight-line basis for property, plant and equipment so as to expense the depreciable amount, i.e. the costless estimated residual value, over its estimated useful lives.The estimated useful lives and residual values are reviewed annually and the effect of any changes in estimate is accounted for on a prospective basis.

(iii) **Derecognition:**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the statement of profit or loss in the year the asset is derecognised.

(iv) **Intangible Assets**

Intangible Assets are stated at cost of acquisition less accumulated amortisation and impairment, if any.

Subsequent to initial recognition, intangible assets are accounted by the Company using revaluation model for its software used in e-surveillance business. the revaluation gain is recognised in Other comprehensive income as revaluation reserve and carrying amount adjusted to the extent. Any decrease in the carrying amount as a result of revaluation is recognised in the statement of profit or loss except to the extent of any credit balance in the revaluation surplus available with the Company in respect of that asset. Intangible assets are amortised on a straight line basis so as to reflect the pattern in which the asset's economic benefits are consumed.

(v) **Impairment Testing of Property, Plant and Equipment, and Intangible Assets**

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognised in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

2.4 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 and this may require significantjudgment. The Company also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Company is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly.

The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for similar term is used.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received.

PROVIGIL SURVEILLANCE LIMITED

The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.5 Foreign currency transactions

(i) **Initial recognition**

Transactions in foreign currencies entered into by the company are accounted at the exchange rates prevailing on the date of transaction or at rates that closely approximate the rate at the date of the transaction.

(ii) **Measurement of monetary items denominated in foreign currency at the Balance Sheet date**

Monetary items denominated in foreign currency (other than those related to acquisition of property plant and equipment) of the Company outstanding at the Balance Sheet date are restated at the year-end rates.
Non monetary foreign currency items are carried at cost.

(iii) **Treatment of exchange differences**

Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of profit and loss.

The translation differences on monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of profit and loss. Non-monetary assets and liabilities are recorded at the rates prevailing on the date of the transaction.
Transactions with fixed Rupee exposure are not revalued at the balance sheet date as the Company's exposure is fixed in INR terms.

2.6 Earnings per share (EPS)

The Basic EPS is computed by dividing the net profit / (loss) attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period.
Diluted EPS is computed by dividing the net profit / (loss) as adjusted for dividend, interest and other charges to expense or income (net off any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

2.7 Income taxes

(i) **Current tax**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) **Deferred tax**

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences could be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if it is probable that the Company will pay normal income tax against which the MAT paid will be adjusted. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

(iii) **Current and deferred tax for the year**

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

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2.8 Borrowing costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.9 Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of these cash flows (when the effect of the time value of money is material).

Contingent liabilities are not recognised in the financial statements and are disclosed in the notes forming part of the financial statements.
Contingent assets are neither recognized and disclosed in Financial statements.

2.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset.

On initial recognition, a financial asset is classified as – measured at:

- Amortised cost; or
- Fair Value through Other Comprehensive income (FVTOCI) – debt investment; or
- Fair Value through Other Comprehensive Income (FVTOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.
All financial assets not classified as measured at amortised cost or FVTOCI are measured at FVTPL. This includes all derivative financial assets unless designated as effective hedge instruments which are accounted as per hedge accounting requirements discussed below.
Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment expenses are recognised in profit or loss. Any gain and loss on derecognition is also recognised in profit or loss.

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

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Financial liabilities and equity instruments

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

Equity instruments

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

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative (that does not meet hedge accounting requirements) or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition of financial assets

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

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised and the proceeds received are recognised as a collateralised borrowing.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments and hedge accounting

The Company enters into derivative financial instruments, primarily foreign exchange forward contracts and interest rate swaps, to manage its exposure to foreign exchange and interest rate risks. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

Derivatives are initially recognised at fair value at the date the contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

2.11 Impairment of financial assets

The Company applies the Expected Credit Loss (ECL) model for recognising impairment loss on financial assets. With respect to trade receivables and loans, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVTOCI, the loss allowance is recognised in OCI and is not reduced from the carrying amount of the financial asset in the balance sheet.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write- off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2.12 Business Combination

Business Combination under common control are accounted under "the pooling of interest method" i.e. in accordance with Appendix C in Ind AS 103 - Business combinations, at carrying amount of assets and liabilities acquired and any excess of consideration issued over the net assets acquired is recognised as capital reserve on common control business combination.

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2.13 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation uncertainty at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, fair value of financial assets/liabilities and impairment of investments.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This re-assessment may result in change in depreciation and amortisation expense in future periods.

(ii) **Revenue Recoginition**

The Company applies the percentage of completion method in accounting for its fixed price development contracts. Use of the percentage of completion method requires the Company to estimate the efforts or costs expended to date (input method) as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

The Company exercises judgments while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

(iii) **Fair value of financial assets and liabilities**

The Company measures certain financial assets and liabilities on fair value basis at each balance sheet date or at the time they are assessed for impairment. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

(iv) **Revaluation of intangible assets**

The Company has adopted fair value model for class of intangible assets i.e. software. The model inolves the use of judgements and estimates on the life, recoverable value etc. Fair value measurement that are based on significant unobservable inputs (Level 3) requires estimates of operating margin, discount rate, future growth rate, terminal values, etc. based on management's best estimate about future developments.

2.14 Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1st, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

PROVIGIL SURVEILLANCE LIMITED

Provigil Surveillance Limited
Notes forming part of the standalone financial statements for the year ended March 31, 2023
(All amounts in INR lakhs, unless otherwise stated)

3 Property, plant and equipment

Particulars	Furniture and fittings	Office equipment	Computers	Surveillance Equipment	Total	Capital work in progress	Grand total
Gross carrying amount							
As at April 01, 2021	97.02	43.51	64.72	24.60	229.85	-	229.85
Additions during the year	-	-	-	125.09	125.09	-	125.09
As at March 31, 2022	97.02	43.51	64.72	149.70	354.94	-	354.94
Additions during the year	-	-	-	89.64	89.64	64.50	154.14
Deletion during the year	-	(43.51)	(64.72)	(88.25)	(196.48)	-	(196.48)
As at March 31, 2023	97.02	-	-	151.09	248.10	64.50	312.60
Accumulated depreciation							
As at April 01, 2021	77.23	43.42	64.52	6.14	191.31	-	191.31
Depreciation charge for the year	5.12	0.04	0.12	35.83	41.11		41.11
As at March 31, 2022	82.35	43.46	64.64	41.97	232.42	-	232.42
Depreciation charge for the year	(3.65)	0.02	0.05	18.41	14.83	-	14.83
Disposals/adjustments	-	(43.48)	(64.68)	(0.65)	(108.81)	-	(108.81)
As at March 31, 2023	78.70	-	-	59.73	138.43	-	138.43
Net Carrying amounts							
As at April 01, 2021	19.79	0.09	0.20	18.46	38.54	-	38.54
As at March 31, 2022	14.66	0.05	0.08	107.73	122.53	-	122.53
As at March 31, 2023	18.31	-	-	91.36	109.67	64.50	174.17

Notes:

(a) On transition to Ind AS (i.e. 1 April 2021), the Company has elected to continue with net carrying value of Property, plant, and equipment measured as per the Indian GAAP and use that net carrying value as the deemed cost of property, plant and equipment.

(c) **Ageing of capital work-in-progress is as below:**
As at March 31, 2023

Particulars	Amounts in capital work in progress for				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	64.50	-	-	-	64.50
Total	64.50	-	-	-	64.50

(d) There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan at the end of current year and previous year.

(All amounts in INR lakhs, unless otherwise stated)

4 Right of use assets and leases liabilities

(i) **Right of use assets**: The Company's lease asset primarily consist of :
(a) Leasehold building representing the properties taken on lease having lease terms between 36 to 60 months.
(b) Leasehold plant and equipment representing the leases for various equipment having lease terms between 36 to 60 months.
The Company's obligations under its leases are secured/unsecured by the lessor's title to the leased assets.

(ii) The following is carrying value of right of use assets and movement thereof:

Particulars	Leasehold Building	Leasehold Plant and equipments	Total
As at April 01, 2021		**177.63**	**177.63**
Additions during the year			-
Disposal during the year			-
Foreign currency translation impact			-
As at March 31, 2022	-	**177.63**	**177.63**
Additions during the year	380.28		380.28
Disposal/adjustment during the year		(177.63)	(177.63)
Foreign currency translation impact			-
As at March 31, 2023	**380.28**	-	**380.28**
Accumulated depreciation			
As at April 01, 2021	-		-
Depreciation for the year	-	49.29	**49.29**
Deductions/ Adjustments (net)	-	-	-
As at March 31, 2022	-	**49.29**	**49.29**
Depreciation for the year	33.17	58.82	91.99
Disposal during the year		(108.11)	(108.11)
Foreign currency translation impact			-
As at March 31, 2023	**33.17**	-	**33.17**
Carrying amounts (net)			
As at April 01, 2021	-	**177.63**	**177.63**
As at March 31, 2022	-	**128.34**	**128.34**
As at March 31, 2023	**347.11**	-	**347.11**

(iii) The movement in lease liabilities is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning	**123.08**	**163.73**
Addition during the year	369.50	-
Deletion during the year	(63.74)	-
Finance cost accrued during the year	22.67	10.43
Payment of lease liabilities	(86.41)	(51.08)
Balance at the end	**365.10**	**123.08**
Current maturities of lease liabilities	85.73	58.72
Non-current lease liabilities	279.37	64.35

PROVIGIL SURVEILLANCE LIMITED

(All amounts in INR lakhs, unless otherwise stated)

(iv) Amount recognised in the statement of Profit and loss during the year:

Particulars	As at March 31, 2023	As at March 31, 2022
Depreciation charge of right of use assets	91.99	49.29
Finance cost incurred during the year	22.67	10.43
Total	**114.66**	**59.72**

(v) The Company does not face significant liquidity risk with regard to its lease liabilities as the current are sufficient to meet the obligation related to lease liabilities as and when they fall due.

(vi) Non-cash investing activities during the year

Particulars	As at March 31, 2023	As at March 31, 2022
Acquisition of right of use assets	380.28	-
Disposal of right of use assets	(177.63)	-

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(All amounts in INR lakhs, unless otherwise stated)

5 Goodwill and Other Intangible assets

Particulars	Computer Software	Total intangible assets
Gross carrying amount		
As at April 01, 2021	**7.83**	**7.83**
Additions during the year	-	-
Disposals/adjustments	-	-
As at March 31, 2022	**7.83**	**7.83**
Additions during the year	2.73	2.73
Disposals/adjustments	(7.83)	(7.83)
As at March 31, 2023	**2.73**	**2.73**
Accumulated depreciation		
As at April 01, 2021	**7.83**	**7.83**
Amortisation for the year	-	-
Disposals/adjustments	-	-
As at March 31, 2022	**7.83**	**7.83**
Amortisation for the year	0.53	0.53
Disposals/adjustments	(7.83)	(7.83)
As at March 31, 2023	**0.53**	**0.53**
Net Carrying amount		
As at April 01, 2021	-	-
As at March 31, 2022	-	-
As at March 31, 2023	**2.20**	**2.20**

PROVIGIL SURVEILLANCE LIMITED *

(All amounts in INR lakhs, unless otherwise stated)

6 Financial Assets

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(A) Trade receivables (valued at amortised cost)						
(Unsecured)						
Trade receivables from contract with customers - considered goods - billed	-	-	-	2,650.68	2,544.92	2,373.50
	-	-	-	**2,650.68**	**2,544.92**	**2,373.50**
less: Impairment allowance for trade receivable - credit impaired	-	-	-	(16.49)	-	-
Total	-	-	-	**2,634.19**	**2,544.92**	**2,373.50**

Notes:

(a) Trade receivables Ageing Schedule

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables –considered good	2,105.58	507.56	22.26	0.07	15.20	2,650.68
Total	**2,105.58**	**507.56**	**22.26**	**0.07**	**15.20**	**2,650.68**
Less: Impairment allowance for trade receivable - significant increase in credit risk	-	-	(1.22)	(0.07)	(15.20)	(16.49)
Net Trade receivables	**2,105.58**	**507.56**	**21.04**	**-0.00**	**0.00**	**2,634.19**

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables –considered good	2,390.81	154.11	-	-	-	2,544.92
Total	**2,390.81**	**154.11**	-	-	-	**2,544.92**
Less: Impairment allowance for trade receivable - significant increase in credit risk	-	-	-	-	-	-
Net Trade receivables	**2,390.81**	**154.11**	-	-	-	**2,544.92**

As at April 01, 2021

Particulars	Outstanding for following periods from the due date of payment					Total
	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables –considered good	1,980.91	366.82	-	25.78	-	2,373.50
Total	**1,980.91**	**366.82**	-	**25.78**	-	**2,373.50**
Less: Impairment allowance for trade receivable - significant increase in credit risk	-	-	-	-	-	-
Net Trade receivables	**1,980.91**	**366.82**	-	**25.78**	-	**2,373.50**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(b) The movement in allowance for expected credit loss on credit impairment trade receivables is as follows:			
Balance as at beginning of the year	-	-	-
Addition during the year	16.49	-	-
Utilisation of provision during the year	-	-	-
Balance as at the end of the year	**16.49**	-	-

(c) Trade receivables are non-interest bearing and are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers.

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(B) Cash and cash equivalents (valued at amortised cost)						
Balances with banks						
In current / cash credit accounts	-	-	-	3,622.51	1,139.27	18.04
Cash on hand	-	-	-	0.01	0.01	0.01
Total	-	-	-	**3,622.52**	**1,139.29**	**18.05**
(C) Other Bank balances						
Deposits with a original maturity of more than 3 months but less than 12 months {refer note(b)}	-	-	-	217.47	663.09	1,205.01
Total	-	-	-	**217.47**	**663.09**	**1,205.01**

Notes:

(a) There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

(b) The deposits maintained by the Company with banks comprise of the time deposits, which may be withdrawn by the Company at any point of time without prior notice and are made of varying periods between 3 months to 12 months depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposit rates.

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(D) Other financial assets (Unsecured, considered good unless otherwise stated)						
At Amortised Cost						
Security deposits	-	140.50	340.61	-	-	
Interest accrued on bank deposits	1.54	12.24	17.76	-	-	
Interest accrued on ICD	32.92	-		-	-	
Loan to employees	39.30	39.30	39.30	-		
Retention money given to customers	178.95	128.94	-	-	-	
Other Deposits - Rental	39.44	3.60	-	-	-	
Inter Corporate Deposits {refer note (a) below}	2,015.00	-	-	-	-	
Total	**2,307.15**	**324.59**	**397.68**	-	-	

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(All amounts in INR lakhs, unless otherwise stated)

(a) Disclosure as required by Section 186 of the Companies Act, 2013 for Inter- corporate deposit is as below:

Opening balance	-	-	-	-	-	-
Given during the year	2,015.00	-	-	-	-	-
Refunded during the year	-	-	-	-	-	-
Closing balance	**2,015.00**	-	-	-	-	-

Notes:
(i) The above deposits are interest bearing and given to related parties

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
7 **Other assets**						
(Unsecured considered good, unless otherwise stated)						
Prepaid expenses	-	-	-	43.50	34.07	37.49
Income tax assets	291.92	348.17	373.63	-	-	-
Balances with government authorities considered good	-	-	-	-	2.24	75.87
Others	-	-	-	-	-	8.06
Total	**291.92**	**348.17**	**373.63**	**43.50**	**36.31**	**121.42**

(All amounts in INR lakhs, unless otherwise stated)

8 Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022		As at 01 April 2021	
	Number	Amount	Number	Amount	Number	Amount
(i) **Authorised**	1,07,00,000	107.00	1,07,00,000	107.00	1,07,00,000	107.00
(Equity shares of ₹1 - each with voting rights)						
(ii) **Issued, subscribed and fully paid up**						
Equity share capital	1,06,67,000	106.67	1,06,67,000	106.67	1,06,67,000	106.67
(Equity shares of ₹1 - each with voting rights)						
	1,06,67,000	**106.67**	**1,06,67,000**	**106.67**	**1,06,67,000**	**106.67**

(ii) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31 March 2023		As at 31 March 2022		As at 01 April 2021	
Equity shares of ₹1/- each with voting rights						
Balance at the beginning of the year	1,06,67,000	106.67	1,06,67,000	106.67	1,06,67,000	106.67
Balance at the end of the year	**1,06,67,000**	**106.67**	**1,06,67,000**	**106.67**	**1,06,67,000**	**106.67**

(iv) **Details of shareholders & Promoters holding more than 5% shares in the Company:**

Name of shareholders	As at March 31, 2023		As at March 31, 2022		As at March 31, 2022	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity shares of ₹1/- each with voting rights						
M/s Magellanic Cloud Limited	1,06,66,994	100%	-	-	-	-
RAVK Limited	-	-	1,06,66,994	100%	1,06,66,994	100%

(v) **Dividend Paid**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Dividend declared and paid during the year			
Interim dividend of ₹ 1.2 per share	128.00	40.53	20.27
	128.00	40.53	20.27

9 **(A) Other equity:**

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Securities premium	99.00	99.00	99.00
General Reserve	17.40	17.40	17.40
Retained earnings	2,718.40	1,988.13	954.90
Total other equity	**2,834.80**	**2,104.53**	**1,071.30**
(i) **Securities premium**			
Opening balance	99.00	99.00	99.00
Movement during the year	-	-	-
Closing balance	**99.00**	**99.00**	**99.00**
(ii) **General Reserve**			
Opening balance	17.40	17.40	17.40
Movement during the year	-	-	-
Closing balance	**17.40**	**17.40**	**17.40**
(iii) **Retained earnings**			
Opening balance	1,988.13	954.90	346.75
Net profit for the year	858.52	1,070.38	628.42
Other comprehensive income / (loss) for the year	(0.25)	3.38	-
Less: Dividend	128.00	40.53	20.27
Closing balance	**2,718.40**	**1,988.13**	**954.90**

Nature and purpose of other reserves

(i) **Securities premium**

The amount received in excess of face value of the equity shares in recognized in Securities Premium The account in utilized in accordance with the provisions of the Companie's Act, 2013

(ii) **Retained earnings**

Retained earnings are the profits that the Company has earned till date including gain/(loss) on remeasurement of defined benefits plans as adjusted for distributions to owners, transfer to other reserves etc.

(iii) **General Reserve**

Under the erstwhile Companies Act, 1956, general reserves was created through an annual transfer of net income at a specified percentange in accordance with applicable regulations, however the same is not required to be created under Companies Act, 2013. This reserve can be utilised only in accordance with the specified requirements of the Companies Act, 2013

10 **Financial liabilities**

(A) **Borrowings (valued at amortised cost)**

Particulars	Long term borrowing			Short term borrowing		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(a) **Term loans**						
Term loans from bank (secured) (refer note (i) below)	2,315.13	-	175.00	313.87	-	-
	2,315.13	-	**175.00**	**313.87**	-	-

Notes:

(i) The company has obtained term loan from HDFC Bank on 29th March 2023. The loan is repayable in 72 equal monthly installments and carries interest rate of floating 9.25% and maturing at 07th April,2029
The primary secuirty is FD Margin for BGs & LC and Collateral security is personal guarantors of directors, FD Margins for BGs & LC

(ii) The Company has not made any default in the repayment of loans to banks and other financial institutions including interest thereon

(iii) The term loans have been used for the purpose for which they were obtained and funds raised for a short term basis have not been used for long term purposes

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(B) **Lease liabilities (valued at amortised cost)**						
Lease liabilities (refer note 4)	279.37	64.35	123.08	85.73	58.73	40.65
	279.37	**64.35**	**123.08**	**85.73**	**58.73**	**40.65**
(C) **Trade payables (valued at amortised cost)**						
Total outstanding dues of micro enterprises and small enterprises	-	-	-	3,322.96	2,342.48	2,840.95
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	11.23	71.58	12.33
	-	-	-	**3,334.20**	**2,414.06**	**2,853.28**

PROVIGIL SURVEILLANCE LIMITED

(All amounts in INR lakhs, unless otherwise stated)

Notes:

(i) **Trade payables Ageing Schedule**

As at March 31, 2023

Particulars	Outstanding for following periods from the due date				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	3,322.96	-	-	-	3,322.96
Undisputed dues of creditors other than micro enterprises and small enterprises	9.54	1.01	0.68	-	11.23
Total	3,332.50	1.01	0.68	-	3,334.20

As at March 31, 2022

Particulars	Outstanding for following periods from the due date				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	2,342.48	-	-	-	2,342.48
Undisputed dues of creditors other than micro enterprises and small enterprises	71.58	-	-	-	71.58
Total	2,414.06	-	-	-	2,414.06

As at April 01, 2021

Particulars	Outstanding for following periods from the due date				Total
	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues of micro enterprises and small enterprises	2,840.95	-	-	-	2,840.95
Undisputed dues of creditors other than micro enterprises and small enterprises	12.33	-	-	-	12.33
Total	2,853.28	-	-	-	2,853.28

(i) The trade payables are unsecured and non interest-bearing and are usually on varying trade term.

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(D) Other financial liabilities						
Payable to employees	-	-	-	85.13	62.26	22.74
	-	-	-	85.13	62.26	22.74
11 Provisions						
Provision for Gratuity (refer note 25)	42.66	-	-	1.44	35.67	34.32
Provision for Client Deductions	-	-	-	15.90	30.20	-
	42.66	-	-	17.34	65.87	34.32

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
12 Income tax and deferred tax			
The major components of income tax expense for the years ended March 31 2023, March 31 2022 and April 01 2021 are			
(a) Income tax expense in the statement of profit and loss comprises :			
Current income tax charge	250.81	358.90	-
Adjustment in respect of current income tax of previous year			
Total current income tax	250.81	358.90	-
Deferred Tax charge / (credit)			
Relating to origination and reversal of temporary differences	(76.61)	2.53	-
Income tax expense reported in the statement of profit or loss	174.20	361.43	-
(b) Other Comprehensive Income			
Tax expense related to items recognised in Other comprehensive income during the year:			
Deferred tax on re-measurement loss on defined benefit plans	0.08	(1.14)	-
Income tax on other item in other comprehensive income	-	-	
Income tax related to items recognised in Other comprehensive income during the year	0.08	-1.14	-

(d) Deferred tax liabilities/ assets comprises

Particulars		Balance Sheet		
		As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Deferred tax liabilities (net)				
Property, plant and equipment and intangible assets		2.52	-	-
Right of Use Asset		87.36	-	-
Prepaid Expenses for Processing fees		3.61	-	-
		93.49	-	-
Less: MAT credit entitlement		-	-	-
	(A)	93.49	-	-
Deferred tax assets (net)				
Property, plant and equipment and intangible assets		-	15.61	19.28
Lease Liability		91.89	-	-
Provision for Gratuity		11.10	-	-
Unabsorbed depreciation and carried forwarded tax losses		78.65	-	-
Provision for Expected Credit Loss		4.15	-	-
Total	(B)	185.79	15.61	19.28
Net Deferred tax asset/(liabilities)	(A) - (B)	92.30	15.61	19.28
Less: Opening DTA (DTL) as per books		15.61	19.28	15.52
Net Deferred tax asset credited/(charged) to Profit & Loss Account		76.69	(3.67)	3.75

(e) Net Deferred tax movement:

Particulars	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Net deferred tax liabilities at the beginning of the year	15.61	19.28	15.52
Deferred tax (charged) credited to profit and loss account during the year	76.61	(2.53)	3.75
Deferred tax (charged) credited to other comprehensive income account during the year	0.08	(1.14)	-
Net deferred tax liabilities at the end of the year	92.30	15.61	19.28

13 Contract balances

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
(A) Trade Receivables (refer note (a) below)	-	-		2,634.19	2,544.92	2,373.50

Notes

(a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.

(All amounts in INR lakhs, unless otherwise stated)

Particulars	Non-current			Current		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
14 Other liabilities						
Statutory dues payable	-	-	-	65.75	87.48	80.96
	-	-	-	65.75	**87.48**	**80.96**
Statutory Dues payable						
Tax Deducted at Source	-	-	-	34.68	46.14	27.43
Goods and Service Tax	-	-	-	25.83	37.59	49.40
Provident Fund	-	-	-	3.91	2.65	2.93
Employee State Insurance	-	-	-	1.07	0.96	1.03
Professional Tax	-	-	-	0.25	0.14	0.16
Total	-	-	-	65.75	**87.48**	**80.96**
15 Current tax liability						
Current tax liabilities (net of advance tax and tax deducted at source)	-	-	-	251.89	358.90	216.75
	-	-	-	251.89	**358.90**	**216.75**

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
16	**Revenue from operations**		
	Revenue from contract with customers		
	Sale of products	10.67	14.55
	Sale of services	11,500.26	12,012.89
	Total revenue from operations	**11,510.94**	**12,027.44**
	Notes:		
(i)	**Timing of revenue recognition**		
	Goods transferred at a point in time	10.67	14.55
	Services transferred over the time	11,500.26	12,012.89
	Total revenue from contract with customers	**11,510.94**	**12,027.44**
(iii)	Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price		
	Revenue from contract with customers	11,510.94	12,027.44
	Add: Other operating revenues	-	-
	Total revenue from operations	**11,510.94**	**12,027.44**

(iv) **Unsatisfied performance obligations:**

Information about the company performance obligations are summarised below:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sales of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of service based on time elapsed and acceptance of the customer.

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
17	**Other Income**		
	Interest income on financial assets carried at amortised cost		
	Deposit with banks	61.21	44.60
	Gain on sale of property, plant and equipment (net)	0.65	-
		61.86	**44.60**
18	**Cost of raw materials and components consumed**		
	Raw materials and components at the beginning of the year	-	-
	Add: Purchases during the year	10.67	14.54
	Less: Raw materials and components at the end of the year	-	-
		10.67	**14.54**
19	**Cost of services**		
	Monitoring Expenses	9,334.79	9,638.92
		9,334.79	**9,638.92**
20	**Employee benefits expense**		
	Salaries, wages and bonus	657.58	439.66
	Contribution to provident and other funds	33.07	26.00
	Net defined benefit plan expense (Gratuity)	8.10	5.87
	Staff welfare expense	0.64	5.46
		699.39	**476.99**
21	**Finance costs**		
	Interest on borrowings	2.00	-
	Interest expense on lease liabilities	22.67	10.43
	Bank Charges	0.32	0.25
		24.98	**10.68**
22	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 3)	14.83	38.38
	Amortisation on intangible assets (refer note 5)	0.53	2.73
	Depreciation on right-of-use assets (refer note 4)	91.99	49.29
		107.36	**90.40**

PROVIGIL SURVEILLANCE LIMITED

(All amounts in INR lakhs, unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
23	**Other expenses**		
	Legal and professional charges	123.96	54.71
	Client Deductions	57.78	192.50
	Training Cost	45.00	26.13
	Power and fuel	30.38	21.88
	Rent	21.02	48.86
	Contribution towards corporate social responsibility expense (CSR) {Refer Note (ii)}	16.50	8.00
	Expected Credit Loss	16.49	-
	Internet & Telephone	7.70	7.19
	Bank Guarantee commission	7.68	0.94
	Repairs and maintenance	6.37	3.96
	Insurance expense	5.27	6.55
	Interest on EPF ESI GST TDS	5.25	1.14
	Rates and taxes	4.16	12.66
	Audit Fee {Refer Note (i)}	4.00	5.00
	Registration & Renewals	3.43	1.58
	Commission / Brokerage	1.13	8.28
	Director's sitting fee	1.10	-
	Filing Fee and Stamp Duty	1.01	0.24
	Annual maintenance charges	0.68	0.51
	Bidding Expenses	0.65	8.08
	Loss on Lease Modification	0.52	-
	Penalty on GST/ROC	0.44	0.04
	Foreign Exchange Loss	0.42	-
	Miscellaneous expenses	0.12	0.36
	Write Off	0.07	-
	Others	1.73	0.13
		362.87	**408.72**
	Note:		
(i)	**Details of payments to auditors**		
	As auditor:		
	Audit fee	3.00	5.00
	Tax Auditors	1.00	-
	Total (included in legal and professional charges)	**4.00**	**5.00**

(ii)	**Corporate social responsibility expenditure**	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Gross amount required to be spent by the Company during the year as per Section 135 of the Act	16.46	8.00
(b)	Amount approved by the Board to be spent during the year	16.46	8.00
(c)	Actual amount spent during the year on:	-	
	(i) Construction/acquisition of an asset	-	
	(ii) On purposes other than (i) above	16.50	8.00
(d)	Excess Amount Spent	**(0.04)**	-

		For the year ended March 31, 2023	For the year ended March 31, 2022
24	**Earnings per share**		
	Net profit after tax as per Standalone Statement of Profit and loss	858.28	1,073.76
	Weighted average number of Equity Shares (in Nos.):		
	- Basic	1,06,67,000	1,06,67,000
	- Diluted	-	-
	Basic earnings per share in rupees (Face value ₹1 per share) (In rupees)	**8.05**	**10.07**
	Diluted earnings per share in rupees (Face value ₹1 per share) (In rupees)	**8.05**	**10.07**
	Calculation of weighted average number of shares		
	For basic & diluted earnings per share		
	Opening balance of equity shares	1,06,67,000	1,06,67,000
	Issued during the year	-	-
	Closing balance of equity shares	**1,06,67,000**	**1,06,67,000**
	Weighted average number of equity share	**1,06,67,000**	**1,06,67,000**

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(All amounts in INR lakhs, unless otherwise stated)

25 Disclosure of Defined benefit plans and defined contribution plan

(A) Defined benefit plan

The company operates following defined benefit obligations:

(a) Gratuity (defined benefit plan)

In accordance with the applicable laws, the company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment of amounts that are based on salary and tenure of employment. Liabilities with regard to the gratuity plan are determined by actuarial valuation.

The following tables summaries the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plan:-

(i) **Net defined benefit asset/ (liability) recognised in the balance sheet**

Particulars	Gratuity		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Present value of defined benefit obligation	44.10	35.67	34.32
Fair value of plan assets	-	-	-
Net asset/(liability) recognized in consolidated balance sheet	**44.10**	**35.67**	**34.32**
Non-current portion term	42.66	34.54	33.30
Current portion	1.44	1.13	1.01

(ii) **Net defined benefit expense (recognised in the statement of profit and loss for the year)**

Particulars	Gratuity		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Current service cost	5.47	3.51	4.04
Interest cost (net)	2.63	2.36	1.62
Net defined benefit expense debited to statement of profit and loss	**8.10**	**5.87**	**5.66**

(iii) **The reconciliation of opening and closing balances of the present value of the defined benefit obligation are as below-**

Particulars	Gratuity		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Present value of obligation as at the beginning of the year	35.67	34.32	24.31
Current service cost	5.47	3.51	4.04
Interest cost	2.63	2.36	1.62
Benefits payment from the employer			(0.56)
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.74)	(1.98)	(0.50)
Actuarial changes arising from changes in experience adjustments	1.07	(2.53)	5.41
Closing defined benefit obligation	**44.10**	**35.67**	**34.32**

(iv) **Reconciliation of opening and closing balances of fair value of plan assets:**

Particulars	Gratuity	
	As at March 31, 2022	As at March 31, 2023
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Actuarial gain/loss for the year	-	-
Benefits payment from the employer	-	-
Others	-	-
Fair value of plan assets at the end of the year	-	-

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(All amounts in INR lakhs, unless otherwise stated)

(v) **Re-measurements Gain/ (loss) recognised in other comprehensive income (OCI):**

Particulars	Gratuity		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Re-measurement of (Gain)/loss recognised in other comprehensive income arising from:			
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	(0.74)	(1.98)	(0.50)
Actuarial changes arising from changes in experience adjustments	1.07	(2.53)	5.41
Return on plan assets, excluding amount recognised in net interest expense	-	-	-
Recognised in other comprehensive income	**(0.33)**	**4.52**	**4.91**

(vi) **Principal actuarial used in recognition of Defined benefit obligation are as follows:**

Particulars	Gratuity		
	As at March 31, 2023	As at March 31, 2022	As at April 01, 2021
Discount rate	7.53%	7.38%	6.87%
Future salary increase	5%	5%	5%
Expected return on plan assets	N.A	N.A	N.A
Retirement age (in years)	58	58	58

Mortality rate	Gratuity		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended April 01, 2021
Attrition rates based on age (per annum):		Number	
Up to 30 years	135	134	129
From 31 to 44 years	31	26	27
Above 44 years	3	2	1

(vii) Quantitative sensitivity analysis for significant assumptions is as shown below:

Particulars	Gratuity		
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended April 01, 2021
Salary Escalation - Up by 1%	9.23%	7.30%	7.50%
Salary Escalation - Down by 1%	-7.33%	-5.80%	-6%
Withdrawal Rates - Up by 1%	3.61%	3.30%	2.90%
Withdrawal Rates - Down by 1%	-4.20%	-3.80%	-3.30%
Discount Rates - Up by 1%	-10.01%	-9.50%	-10.20%
Discount Rates - Down by 1%	12.17%	11.40%	12.20%
Mortality Rates - Up by 10%	0.11%	-	-
Mortality Rates - Down by 10%	-0.12%	-	-

(viii) Maturity profile of defined benefit obligation:

Particulars	Gratuity		
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended April 01, 2021
Within 1 year	1.44	1.13	1.01
2 to 5 years	23.93	5.38	4.88
6 to 10 years	6.41	22.19	21.85
More than 10 years	108.14	-	-

(xi) 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.

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(All amounts in INR lakhs, unless otherwise stated)

(xii) The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period while holding all other assumptions constraint. In practice it is unlikely to occur and change in some of the assumption may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

(xiii) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

(xiv) The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(B) Defined contribution plan

Following are the contribution to Defined Contribution Plan, recognised as expense for the year:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended April 01, 2021
Contribution to provident and other funds	33.07	26.00	18.46
Total	**33.07**	**26.00**	**18.46**

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26 Explanation of transition to Ind AS

As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For upto and including the year ended 31 March 2022, the Company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

The accounting policies set out in Note 1 have been applied in preparing these financial statements for the year ended March 31, 2023 including the comparative information for the year ended March 31, 2022 and the opening Ind AS balance sheet on the date of transition i.e. April 01, 2021.

A. Optional exemptions availed

1 Property plant and equipment

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a Indian GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
– fair value;
– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with Indian GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

The Company has elected to continue with the carrying value of all of its PPE recognised as at April 01, 2021 (transition date) measured as per Indian GAAP and use that carrying amount as the deemed cost as on transition date.

B Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the Indian GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.
As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).
The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the Indian GAAP are listed below:
-Impairment of financial assets based on the expected credit loss model.
-Determination of the discounted value for financial instruments carried at amortised cost.

2 Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.
The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

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(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of Equity

		As at the date of Transition April 01, 2021			As at March 31, 2022		
	Notes	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
A ASSETS							
1 Non-current assets							
(a) Property, plant and equipment		38.54	-	38.54	122.53	-	122.53
Right of use assets	a	-	178.00	177.63	-	128.00	128.34
(b) Capital work-in-progress			-	-	-	-	-
Other Intangible assets			-	-	-	-	-
(d) Financial assets			-	-		-	
(i) Other non-current financial assets	a	411.58	(14.00)	397.68	334.09	(9.00)	324.59
(e) Deferred tax assets		19.28	-	19.28	15.61	-	15.61
(f) Other non-current assets		373.63	-	373.63	348.17	-	348.17
Total non-current assets		**843.03**	**164.00**	**1,006.76**	**820.40**	**119.00**	**939.24**
2 Current Assets							
(c) Financial assets							
(i) Trade receivables		2,373.50	-	2,373.50	2,544.92	-	2,544.92
(ii) Cash and cash equivalents		18.05	-	18.05	1,139.29	-	1,139.29
(iii) Bank balance other than (ii) above		1,205.01	-	1,205.01	663.09	-	663.09
(d) Other current assets		121.42	-	121.42	36.31	-	36.31
Total current assets		**3,717.98**	-	**3,717.98**	**4,383.60**	-	**4,383.60**
Total assets		**4,561.01**	**164.00**	**4,724.74**	**5,204.00**	**119.00**	**5,322.84**
B EQUITY AND LIABILITIES							
1 Equity							
(a) Equity share capital		106.67	-	106.67	106.67	-	106.67
(b) Other equity	a	1,071.30	-	1,071.30	2,108.75	(4.00)	2,104.52
Total Equity		**1,177.97**	-	**1,177.97**	**2,215.42**	**(4.00)**	**2,211.19**
2 Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		175.00	-	175.00	-	-	-
(ii) Lease Liabilities	a	-	123.00	123.08	-	64.00	64.35
(b) Deferred tax liabilities (net)			-			-	
(c) Provisions			-	-	-	-	-
Total non-current liabilities		**175.00**	**123.00**	**298.08**	-	**64.00**	**64.35**
3 Current liabilities							
(a) Financial liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Lease Liabilities	a	-	41.00	40.65	-	59.00	58.72
(iii) Trade payables			-			-	
(a) Total outstanding dues of micro and small enterprises		2,840.95	-	2,840.95	2,342.48	-	2,342.48
creditors other than micro and small enterprises		12.33	-	12.33	71.58	-	71.58
(iv) Other current financials liabilities		22.74	-	22.74	62.26	-	62.26
Current tax liabilities		216.75	-	216.75	358.90	-	358.90
(b) Other current liabilities	b	80.96	-	80.96	87.48	-	87.48
(c) Short term provisions		34.32	-	34.32	65.87	-	65.87
Total current liabilities		**3,208.04**	**41.00**	**3,248.69**	**2,988.58**	**59.00**	**3,047.29**
Total Equity and Liabilities		**4,561.01**	**164.00**	**4,724.74**	**5,204.00**	**119.00**	**5,322.84**

*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

PROVIGIL SURVEILLANCE LIMITED

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of total comprehensive income for the year ended March 31, 2022

	Particulars	Notes	Year ended March 31, 2022		
			Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
A.	**Income:**				
(a)	Revenue from operations		12,027.44	-	12,027.44
(b)	Other income	a	40.20	4.00	44.60
	Total income		12,067.64	4.00	12,072.05
B.	**Expenses:**				
(a)	Cost of raw materials and components consumed		14.54	-	14.54
	Cost of services		9,638.92	-	9,638.92
(b)	Employee benefits expense	b	472.50	4.00	476.99
(c)	Finance costs	a	1.19	9.00	10.68
(d)	Depreciation	a	41.11	49.00	90.40
(e)	Other expenses	a	458.84	(50.00)	408.72
	Total expenses		10,627.09	12.00	10,640.24
5	**Profit before exceptional items and tax (3-4)**		1,440.55	(8.00)	1,431.81
6	Exceptional items		-	-	-
C.	**Profit before tax (A-B)**		1,440.55	(8.00)	1,431.81
D.	**Income Tax expense:**				
	(Excess) of earlier years		-	-	-
	Current tax		358.9	-	358.9
	Deferred tax expenses	b	3.7	(1.0)	2.5
	Total tax expense / (credit)		362.6	(1.0)	361.4
	Items that will not be reclassified to profit or loss in subsequent periods				
	(i) Remeasurements gains/(losses) on defined benefit plans		-	5.00	4.52
	(ii) Income tax effect on above		-	(1.00)	(1.14)
	Other comprehensive income for the year, net of tax		-	4.00	3.38
E.	**Profit/(Loss) after tax (C- D)**		1,077.98	(3.00)	1,073.75
F.	**Total comprehensive income/(loss) for the year**		1,077.98	(3.00)	1,073.75

*The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Foot Notes to the reconciliations

a Lease Accounting:- On transition to Ind AS, the company has applied lease accounting as per Ind AS 116 -Leases. The Company entered into lease contracts on the date of transition which resulted in recognition of lease liabilites & Right of Use Asset on transition date. Corresponding impacts due to this transaction are recorded in respective ledgers

b On transition date, the change is on account of application of Ind AS 19- Employee benefits which requires changes in assumptions to be recognized in Other Comprehensive Income as per acturial valuation report.

c Deferred Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings, OCI or profit and loss respectively.

The summary of deferred tax balances as per Indian GAAP viz-a-viz Ind AS is summarised below with the reasons for such variance.

Deferred Tax Asset / (Liabilities)	Indian GAAP	Ind AS	Difference	Remarks
31 March 2022	15.61	15.61	-	There is no difference in deferred tax as per IGAAP & Ind AS
1 April 2021	19.28	19.28	-	

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(All amounts in INR lakhs, unless otherwise stated)

e Reconciliation of equity as previously reported under Previous GAAP and that computed under Ind AS:

Particulars	Notes	As at 31 March 2022	As at 1 April 2021
Equity as per Indian GAAP		2,108.75	1,071.30
Adjustments:			
Impact of deposit under Ind AS 109	a	4.00	-
Impact of recognition of lease as per Ind AS 116	a	(8.00)	-
Impact of Employee Benefit	b	1.00	-
Impact of Deferred Tax	b	-	-
		(3.00)	-
Equity as per Ind AS		**2,105.75**	**1,071.30**

Effect of Ind AS adoption on the Standalone Statement of Cash Flow for the year ended 31 March 2022

Particulars	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flows from operating activities	774.49	152.18	926.67
Net cash flows from investing activities	562.52	(101.09)	461.43
Net cash flows from financing activities	(215.78)	(51.09)	(266.88)
Net increase in cash and cash equivalents	**1,121.23**	-	**1,121.23**
Cash and cash equivalents at the beginning of the year	18.05	-	18.05
Cash and cash equivalents at end of the year	1,139.28	-	1,139.28

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(All amounts in INR lakhs, unless otherwise stated)

27 Commitments and Contingencies

(A) Contingent liabilities (to the extent not provided for)

(a) Disputed tax liabilities in respect of pending litigations before appellate authorities

Notes:

(i) The various disputed tax litigations are as under:

Details

Service tax liability is respect of taxable services during the period April 2016 to June 2017 to the Director General of Police, Government of Andhra Pradesh in terms of work provided to the client by suppressing the gross value of taxable services provided in periodical ST-3 returns- Demand of Rs 54,74,131+ Penalty in terms of Section 73(2) of the Finance Act,1994.

Particulars	As at March 31, 2023	As at March 31, 2022
Service tax matter	55.74	55.74
Total	**55.74**	**55.74**

Note: The Company has ongoing disputes with various judicial forums relating to above matter tax disputes- The company expects a favourable outcome against this litigations.

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(All amounts in INR lakhs, unless otherwise stated)

28 Related Party Disclosures

The related parties as per identified by management.

(A) Names of related parties and description of relationship:

(i) Related parties with whom transactions have taken place during the year/ previous year and the nature of related party relationship:

Entity Name	Relationship
Magellanic Cloud Limited	100% Holding company since 14.11.2022
IVIS International Private Limited	Fellow Subsidiary
Riverside Infraholdings Private Limited	A private company in which a director is a director. (Related party upto 11.11.2022 only as Dr. Muralidhar Nannapaneni resigned for Provigil on that date)

(ii) Key management personnel

Name	Relationship
Joe Sudheer Reddy Thumma	Director
Venkata Nagendra Murali Mohan Rachapoodi	Director
Balakrishna Vellanki	Director

(iii) Other entities over which key management personnel and their relatives are able to exercise significant influence

Entity Name	Relationship
Motivity Labs Private Limited	Fellow Subsidiary

(B) Transactions with related parties

Particulars	As at March 31, 2023	As at March 31, 2022
Purchase of goods		
IVIS International Private Limited	10.67	14.54
Sale of property, plant and equipment		
IVIS International Private Limited	88.25	-
Services received		
IVIS International Private Limited	9,334.79	9,638.92
Professional fees		
Venkata Nagendra Murali Mohan Rachapoodi	60.00	-
Remuneration		
Venkata Nagendra Murali Mohan Rachapoodi	160.00	60.00
Interest income		
Magellanic Cloud Limited	32.92	-
Unsecured loan given (Intercorporate Deposit)		
Magellanic Cloud Limited	2,015.00	-

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(All amounts in INR lakhs, unless otherwise stated)

(C) Balances with related parties at the year end

Particulars	As at March 31, 2023	As at March 31, 2022
Receivables		
Magellanic Cloud Limited	2,047.92	-
Venkata Nagendra Murali Mohan Rachapoodi	36.30	36.30
Payables		
IVIS International Pvt Ltd	3,322.06	2,313.27
Venkata Nagendra Murali Mohan Rachapoodi	10.00	5.00

Notes :

(a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. The settlement for these balances occurs through payment. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(b) All the liabilities for post retirement benefits being 'Gratuity, compensated absence and pension benefit' are provided on actuarial basis for the company as a whole, accordingly the amount pertaining to Key management personnel are not included above.

(D) Key managerial personnel compensation

Particulars	As at March 31, 2023	As at March 31, 2022
Remuneration to Key Managerial other than CMD		
Venkata Nagendra Murali Mohan Rachapoodi	160.00	60.00
Total	**160.00**	**60.00**

(E) Remuneration to Independent Directors

Particulars	As at March 31, 2023	As at March 31, 2022
Sitting Fees		
Jarugula Siva Prasad	0.55	-
Vekata Padma Daruvuri	0.55	-
Total	**1.10**	-

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(All amounts in INR lakhs, unless otherwise stated)

29 Fair value measurements

Set out below, is a comparison by class of the carrying amounts and fair value of the Company financial instruments.

Category	As at March 31, 2023		As at March 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial instruments by category				
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	2,307.15	2,307.15	324.59	324.59
Trade receivables (current and non current)	2,634.19	2,634.19	2,544.92	2,544.92
Cash and cash equivalents	3,622.52	3,622.52	1,139.29	1,139.29
Bank balances other than above	217.47	217.47	663.09	663.09
Total	**8,781.33**	**8,781.33**	**4,671.88**	**4,671.88**
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	2,629.00	2,629.00	-	-
Lease liabilities (current and non current)	365.10	365.10	123.07	123.07
Other financial liabilities (current and non current)	85.13	85.13	62.26	62.26
Trade payables (current and non current)	3,334.20	3,334.20	2,414.06	2,414.06
Total	**6,413.42**	**6,413.42**	**2,599.39**	**2,599.39**

Management of the Company has assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

(i) The fair values of the investment in mutual fund has been determined based on net assets value (NAV) available in open market.

(ii) Costs of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose.

(iii) **Fair value hierarchy**

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period for identical assets or liabilities. The mutual funds are valued using the net assets value (NAV) available in open market. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

This section explains the judgement and estimates made in determining the fair value of financial assets that are:

a) Recognized and measured at Fair value

b) Measured at amortized cost and for which fair value is disclosed in financial statements

Quantitative disclosures of fair value measurement hierarchy for assets as on March 31, 2023

Particulars	Carrying value	Fair Value		
	As at March 31, 2023	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	2,307.15	-	-	2,307.15
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Borrowings (short term and long term)	2,629.00	-	-	2,629.00
Lease liabilities (current and non current)	365.10	-	-	365.10
Other financial liabilities (current and non current)	85.13	-	-	85.13

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022

Particulars	Carrying value	Fair Value		
	As at March 31, 2022	Level 1	Level 2	Level 3
Financial assets measured at amortized cost and for which fair values are disclosed				
Other financial assets (current and non current)	324.59	-	-	324.59
		-	-	
Financial liabilities measured at amortized cost and for which fair values are disclosed				
Lease liabilities (current and non current)	123.07	-	-	123.07
Other financial liabilities (current and non current)	62.26	-	-	62.26

PROVIGIL SURVEILLANCE LIMITED

(All amounts in INR lakhs, unless otherwise stated)

30 Financial risk management objectives and policies

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans deposits, and investments, and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at reporting date. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item and equity is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2023 and March 31, 2022.

(i) Interest rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates The Company's main interest rate risk arises from long-term borrowings with variable rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 March 2023, after taking into account the effect of interest rate swaps, the Company has following fixed rate and variable rate borrowing:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	2,629.00	-
Total	**2,629.00**	-

Interest rate sensitivity

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

Particulars	As at March 31, 2023 Gain/ (loss) Impact on profit before tax and equity		As at March 31, 2022 Gain/ (loss) Impact on profit before tax and equity	
	Change +1%	Change -1%	Change +1%	Change -1%
Interest rate sensitivity	26	-26	-	-

(b) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing through the use of short term bank deposits, short term loans, and cash credit facility etc. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. The Company assessed the concentration of risk with respect to its debt and concluded it to be low.

Maturity profile of financial liabilities

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

	Less than 1 Years	1-5 Years	More than 5 Years	Total
As at March 31, 2023				
Borrowings	313.87	2,315.13	-	2,629.00
Lease liabilities	85.73	279.37	-	365.10
Trade payable	3,334.20	-	-	3,334.20
Other financial liabilities	85.13	-	-	85.13
As at March 31, 2022				
Borrowings	-	-	-	-
Lease liabilities (undiscounted)	58.72	64.35	-	123.07
Trade payable	2,414.06	-	-	2,414.06
Other financial liabilities	62.26	-	-	62.26

PROVIGIL SURVEILLANCE LIMITED

(All amounts in INR lakhs, unless otherwise stated)

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions and funds with mutual fund asset management companies (AMC). The maximum amount of the credit exposure is equal to the carrying amounts of these receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

(i) Trade Receivables

The customers are subjected to credit assessments as a precautionary measure, and the adherence of all customers to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.
Customer credit risk is managed by respective department head subject to the Company's established policy, procedures and control relating to customer credit risk management. An impairment analysis is performed at each reporting date on trade receivables by lifetime expected credit loss method based on provision matrix. The Company does not hold collateral as security. There is one single customer from whom the Company earns revenue of more than 10%, however, there is no credit default risk from this customer since the amount are generally received in advance. Refer note 6(A) for movement in credit loss allowance during the year.

(ii) Financial instruments and deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2023 is the carrying amounts. The Company's maximum exposure relating to financial instrument is noted in liquidity table below.

Trade Receivables and other financial assets are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in the repayment plan with the Company.

	As at March 31, 2023	As at March 31, 2022
Financial assets for which allowance is measured using 12 months Expected Credit Loss Method (ECL)		
Other financial assets (current and non-current)	2,307.15	324.59
Cash and cash equivalents	3,622.52	1,139.29
Other bank balances (current and non current)	217.47	663.09
	6,147.14	**2,126.96**
Financial assets for which allowance is measured using Life time Expected Credit Loss Method (ECL)		
Trade Receivables	2,634.19	2,544.92
	2,634.19	**2,544.92**

Balances with banks is subject to low credit risks due to good credit ratings assigned to these banks.

The ageing analysis of trade receivables has been considered from the date the invoice falls due

Particulars		
Trade Receivables		
0 to 180 days due past due date	2,105.58	2,390.81
More than 180 days past due date	528.61	154.11
Total Trade Receivables	**2,634.19**	**2,544.92**

31 Capital management

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the parent company and all other equity reserves. The primary objective of the Company's capital management is to safeguard its ability to continue as going concern and to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalent.

Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Loan and borrowing *	2,629.00	-
Less : Cash and cash equivalent	-3,622.52	-1,139.29
Net debts	**-993.52**	**-1,139.29**
Equity / Net Worth	2,941.46	2,211.19
Total Capital	**2,941.46**	**2,211.19**
Capital and Net debts	**1,947.94**	**1,071.91**
Gearing Ratio (Net Debt/Capital and Net Debt)	**-51.00%**	**-106.29%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.
* Borrowings does not includes Lease liabilities

(All amounts in INR lakhs, unless otherwise stated)

32 Additional information required

(i) **Details of Benami property:** No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

(iii) **Compliance with approved scheme of arrangements:** The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(iv) **Utilisation of borrowed funds and share premium:** The Company has not advanced or loaned or invested funds to any other person or entity, 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

The Company has not received any fund from any person or entity, 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.

(v) **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(vi) **Valuation of PP&E, intangible asset and investment property:** The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(vii) **Utilisation of borrowings availed from banks and financial institutions:** The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

(viii) **Ratios**

Particulars	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	% change
Current ratio (in times)	Total current assets	Total current liabilities	1.57	1.44	9.07
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities	Total Equity	1.02	0.06	1728.89
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	0.44	1.07	-59.22
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.45	4.89	-9.11
Net capital turnover ratio (in times)	Revenue from operations	Average Working Capital	6.22	13.32	-53.30
Net profit ratio (in %)	Profit for the year	Revenue from operations	0.09	0.12	-24.64
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Lease liabilities + Deferred tax liabilities	0.19	0.79	-76.26
Trade Payables turnover ratio	Net Credit purchases	Average Trade Payables	0.004	0.01	-32.73

(ix) The comparative previous year figures are reclassified or regrouped, wherever required.

The accompanying notes form an integral part of the standalone financial statements
As per our report of even date attached

For Bhuta Shah & Co LLP
Chartered Accountants
Firm Registration No: 101474W / W100100

Atul Gala
Partner
Membership No. 048650

Place : Mumbai
Date : May 29, 2023

For and on behalf of the Board of Directors of
Provigil Surveillance Limited
CIN : U65993TG1992PLC014157

Murali Mohan R V N
Director
DIN No. 05129064

Place : Hyderabad
Date : May 29, 2023

Joseph Sudheer Reddy Thumma
Director
DIN No. 07033919

PROVIGIL SURVEILLANCE LIMITED

JNIT TECHNOLOGIES INC

REVIEWED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30, 2023

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873.
email: balav@vbccpa.com

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VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Stockholder's of,
JNIT Technologies Inc
Parlin, New Jersey

We have reviewed the consolidated financial statements of JNIT technologies Inc (a New Jersey Corporation), and its subsidiaries, which comprise the consolidated balance sheet as of June 30, 2023 and the related consolidated statement of income and retained earnings, cash flows and changes in stockholder's equity for each of the three months period June 30, 2023, and the related notes to the consolidated financial statements. We did not review the financial statements of Motivity Labs Private Limited (a wholly owned subsidiary), which statements reflect total assets of $ 7,166,699 as of June 30, 2023, total revenue of $ 3,779,093 and Net income of $ 614,259 for the three months ended June 30, 2023. Those statements were reviewed by other auditors, whose report has been furnished to us and our review, insofar as it relates to the amounts included for Motivity Labs Private Limited, is based solely on the report of other auditors. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter

The supplementary information comprising of the consolidated supplementary schedules on cost of sales and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information in relation to the accompanying reviewed financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

VBC and Company CPA's P.C.
Somerset, New Jersey

August 9, 2023

JNIT TECHNOLOGIES INC
CONSOLIDATED BALANCE SHEET
AS OF JUNE 30, 2023

Current Assets	
Cash and cash equivalents	1,780,842
Accounts receivable, net	13,560,537
Employee advances	115,882
Accrued Interest	6,799
Prepaid Expenses	4,186,581
Other Current Assets	3,375,381
Total current assets	**23,026,022**
Other Assets	
Deferred Tax Assets	179,200
Security Deposits	237,197
Total Other assets	**416,398**
Investments	550,000
Goodwill	5,640,000
Property and equipment,net	276,126
Right - of - use asset	243,427
Total assets	**$ 30,151,973**
Current liabilities	
Accounts payable and accrued liabilities	932,666
Accrued Payroll Liabilities	1,944,784
Current portion of long term loan	319,098
Note Payable - Current	234,955
Line of credit	2,383,121
Accrued Income taxes	406,116
Other Current Liabilities	2,592,587
Current portion of lease obligations	173,676
Total current liabilities	**8,987,003**
Other liabilities	
EIDL Loan	4,217,945
Term loan	861,714
Employee Retention Credit	1,739,881
Due to affiliates	1,300,324
Long term portion of lease obligations	60,942
Total other liabilities	**8,180,806**
Stockholder's equity	
Common Stock	236,259
Retained earnings	12,672,504
Accumulated Other Comprehensive Income	75,401
Total Stockholder's equity	**12,984,164**
Total liabilities & Stockholder's equity	**$ 30,151,973**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2023

Revenue	
Consulting income	$ 9,000,628
Revenue from Software Services	3,705,960
Other income	73,133
Total Revenue	**12,779,721**
Cost of sales	7,825,478
General & admininstrative expenses	3,063,140
Income from operations	**1,891,104**
Interest expense	136,501
Depreciation	29,428
Interest expense - Lease liabilities	34,414
Depreciation - Lease Assets	136,078
Income before tax	**1,554,683**
Income Taxes	424,427
Deferred Tax expense	110,393
Net Income	**1,019,863**
Foreign Currency Translation Reserve	(72,531)
Other Comprehensive Income/(Loss)	147,932
	75,401

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED JUNE 30, 2023

Cash flow from operating activities	
Net income after taxes	$ 1,019,863
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation	29,428
Depreciation - Lease assets	170,492
Other comprehensive income movement	(97,826)
Foreign currency translation reserve	10,866
Changes in operating assets and liabilities:	
Trade and other receivables	(3,230,860)
Prepaid Expenses	135,994
Net lease assets	(135,291)
Employee advances	1,000
Other assets	10,735
Other current assets	1,805,828
Accounts payable, accrued expenses and other liabilities	(320,874)
Accrued payroll and related costs	390,243
Deffered taxes	205,203
Other current liabilities	468,821
Net cash provided by / (used in) operating activities	**463,621**
Cash flow from investing activities	
Purchase of assets	(1,058)
Net cash provided by / (used in) investing activities	**(1,058)**
Cash flow from financing activities	
Proceeds from borrowings, net	620,522
Net cash provided by / (used in) financing activities	**620,522**
Increase (decrease) in cash and cash equivalents	**1,083,086**
Cash and cash equivalents, beginning of period	$ 697,756
Cash and cash equivalents, end of period	**$ 1,780,842**
Interest paid	**$ 75,094**
Taxes paid	**$ -**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED STATEMENT OF STOCKHOLDER'S EQUITY
FOR THE THREE MONTHS ENDED JUNE 30, 2023

Common stock	
Issued and outstanding:	
Balance, beginning of period	236,259
Balance, end of period	**236,259**
Retained Earnings	
Balance, beginning of period	**11,652,641**
Net Income	1,019,863
Balance, end of period	**12,672,504**
Accumulated Other Comprehensive Income	
Balance, beginning of period	**(83,397)**
Change in foreign currency transalation adjustment	10,866
Balance, end of period	**(72,531)**
Other Comprehensive Income/(Loss)	147,932
Total Sockholder's Equity	**12,984,164**

(See Independent accountant's review report and accompanying notes to financial statements)

NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2023

Note 1- Summary of significant accounting policies

Nature of Operations – JNIT Technologies Inc. was incorporated as a New Jersey Corporation in August 2010, is engaged in providing software development and consulting services to various industries throughout the United States. The financial statements represent the consolidated financial statements of JNIT Technologies Inc, Motivity Labs, Inc. (subsidiary) and Motivity Labs Private Ltd (step down subsidiary - Incorporated in India). JNIT Technologies Inc along with its subsidiary and step-down subsidiary are collectively referred to as “the Company” in this report.

Numerous factors affect the Company's operating results, including general economic conditions, market acceptance and demand for its consulting services, its ability to obtain new clients, and rapidly changing technologies and competition. The Company’s customer base covers a broad spectrum of industries including, Engineering, Financials, Information technologies, Manufacturing, Telecommunication among others.

Accounting Policies – These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepting in the United States of America (“GAAP”); consequently, revenues are accepted when services are rendered and expenses reflected when costs are incurred.

Concentration of Credit Risk - The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. With respect to trade receivables, the Company generally does not require collateral because of the common business practice prevailing in the industry and also that majority of the Company's customers are fairly well established companies operating in a variety of industries and geographic regions. When necessary, the Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Use of Estimates - The Company's management makes estimates and assumptions in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those results implicit in the estimates and assumption.

Cash and cash equivalents – Cash and cash equivalents consist of demand deposits. The Company considers all highly liquid investments purchased with a remaining maturity principally of three months or less to be cash equivalents.

The Company maintains its cash in a bank deposit account that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Financial Instruments - The Company's financial instruments including cash and cash equivalents, accrued expenses, accounts receivable, accounts payable and lines of credit debt, all of which approximate fair value at the balance sheet dates.

Accounts receivable – Accounts receivable are generated from various commercial entities. Accounts receivable are stated at cost less an allowance for doubtful accounts if considered necessary. Credit is extended to customers after an evaluation of the customer’s financial condition, and generally collateral is not required. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions and other risks inherent in the accounts receivable portfolio.

Allowance for Doubtful Accounts - The allowance for doubtful accounts reflects the Company’s best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence. Allowance for Doubtful accounts as on June 30, 2023 was $ 105,033.

Revenue Recognition - The Company generates most of its revenues from Technology Staffing, and IT Services. Comprehensive revenue recognition model is designed to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenues are recognized as control of the promised service is transferred to customers, in an amount that reflects the consideration expected in exchange for the services. Revenues from contract assignments are recognized over time, based on hours worked by the Company’s contract professionals. The performance of the requested service over time is the single performance obligation for assignment revenues. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods.

The Company recognizes most of its revenue on a gross basis when it acts as a principal in its transactions. The Company has direct contractual relationships with its customers, bears the risks and rewards of its arrangements, has the discretion to select the contract professionals and establish the price for the services to be provided. The Company primarily provides services through its employees and through subcontractors; the related costs are included in cost of sales. The Company includes billable expenses (out-of-pocket reimbursable expenses) in revenue and the associated expenses are included in cost of sales. Maintenance revenues, if any, are recognized ratably over the term of the underlying maintenance agreement.

NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2023

Impact of New Accounting Standards - In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers, further amended in July 2015. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. The Company has adopted Accounting Standards Update (“ASU”) No. 2014-09, effective January 01, 2019. Revenue from Contracts with Customers, using the modified retrospective method. The adoption allows companies to apply the new revenue standard to reporting periods beginning in the year the standard is first implemented, while prior periods continue to be reported in accordance with previous accounting guidance. Since the adoption of Accounting Standards Codification (“ASC”) 606 did not have a significant impact on the recognition of revenue, the Company did not have an opening retained earnings adjustment.

Cost of Revenues – are classified as cost of sales on the income statement and consist primarily of employee costs and sub-contractors’ costs, and other costs incurred in connection with the execution of projects.

Unbilled Revenues – represents services rendered prior to being invoiced due to certain contractual restrictions. The Unbilled revenue as on June 30, 2023 was $ 2,135,000 and is included under Accounts Receivable in the Balance sheet.

Property and equipment – Property and equipment, consisting of computers, furniture, vehicle and equipment, are stated at cost. Improvements which substantially increase the useful lives of assets are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or disposal, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is recorded. Depreciation on all property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from three to five years. Depreciation expense for the three months ended June 30, 2023 was $ 29,428.

Investment – The Company has characterized its investments in marketable securities, based on the priority of the inputs used to value the investments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and lowest priority to unobservable inputs (Level 3). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying balance sheets are categorized based on the inputs to valuation techniques as follows:

Level 1 – These are investments where values are based on unadjusted quoted prices for identical asset in an active market the Company has the ability to access.

Level 2 – These are investments where values are based on quoted market prices that are not active or model derived valuations in which all significant inputs are observable in active markets.
Level 3 – These are investments where values are derived from techniques in which one or more significant inputs are unobservable.

June 30, 2023	Level 1	Level 2	Level 3	Total
Investments	-	-	$ 550,000	$ 550,000

The Company had invested in a stock purchase of Motivity Labs on January 01, 2020. The total value of investment for 68% stock was $3,400,000, the Initial purchase price of which the company has made a payment of $1,360,000 (40%) of the purchase price and the balance amount $ 2,040,000 (60%) will be paid in Six installments of $340,000 every four months, commencing four months after the Closing Date. The installment payments will have interest at the rate of 6 % per annum after twelve months from the closing date. As per the agreement the Purchaser shall purchase all of the Remaining Shareholders' shares of capital stock of the Company (the "Remaining Shares") within eighteen (18) months from the date the agreement was entered.

The Company has acquired the balance 32% stock in Motivity Labs Inc in January 2021, and thus owns 100% stock in Motivity Labs Inc. The total consideration was $ 5,640,000 and was fully paid.

Income Taxes – **Income Taxes** – The Company is taxed as a "C" corporation and as such accounts for income taxes pursuant to the provisions of Statement of Financial Statement Accounting Standards No. 109 "Accounting for Income Taxes." Under SFAS No. 109, deferred tax liabilities and assets are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Any deferred tax assets recognized for net operating loss carry-forwards and other items are reduced by a valuation allowance when it is more likely than not that the benefits may not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. There are no material deferred tax liabilities as of June 30, 2023. The company has deferred tax asset as of the above date as per the provision available under Internal Revenue Code to carry forward net operating loss. The deferred tax assets as of June 30, 2023 was $ 179,200.

Impairment of Assets - The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to Income statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Leases

When the company is the lessee, all leases with a term of more than 12 months are recognized as right-of-use (ROU) assets and associated lease liabilities in the Balance Sheet. The lease liabilities are determined using the present value of the lease payments not yet paid and the company's incremental borrowing rate, which approximates the rate at which the company would borrow on a secured basis in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the company is the lessee. The ROU asset equals the lease liability adjusted for any initial direct costs (IDCs), prepaid rent and lease incentives. Operating leases are included in operating right-of-use assets–net and lease liabilities in the Balance Sheet. The lease term includes options to extend or terminate the lease when it is reasonably certain that the company will exercise that option.

Note 2 – Advertising Costs

The Company expenses advertising costs in the period incurred. The Company did not incur any advertising and business promotion expenses for the three months ended June 30, 2023 was zero.

Note 3 – Cash and Cash equivalents

As of June 30, 2023, the Cash and cash equivalents was $ 1,780,842

Note 4 – Property and equipment

	As at June 30, 2023
Computer equipment and software	$ 112,646
Furniture & Fixtures	73,856
Vehicle	42,323
Other fixed assets	272,941
Total assets	**501,766**
Less: Accumulated depreciation	(225,640)
Property and Equipment, net	**$ 276,126**

The depreciation expense for the three months ended June 30, 2023 was $ 29,428.

Note 5 – Prepaid Expenses

On April 6, 2022, JNIT Technologies Inc (Licensee) entered into a Technology License agreement with Magellanic Cloud Limited (Licensor) to obtain a license for the technical know-how and IPR in the drone based technology solution/products on an exclusive basis. Summary of terms and conditions are as follows:

- Licensee shall pay to licensor a royalty fee of 20% of the revenue derived from the sale of products subject to minimum of USD 425,000 per annum (net of any applicable taxes)
- Licensor shall raise an invoice annually on March 31 for every calendar year for the royalty based on the audited revenue details provided by the licensee for the previous calendar year
- Licensee shall pay an upfront advance payment of $ 4,250,000 which shall be adjusted against the payment due to the licensor under this agreement.
- Upon termination of this agreement, the licensor shall after adjusting any royalty amount due under this agreement refund the balance amount to the licensee for the unexpired period of the term
- The agreement commences from the effective date (April 6, 2022) and continue thereafter for a period of ten years unless extended in writing by the parties hereto for a further period of five years or terminated earlier in accordance with the terms and conditions as stipulated in the agreement.
- The agreement may be terminated by mutual written consent of the parties hereto.

	30-June-2023
Drone Rights	4,250,000
Less: Amortization of advance	(531,250)
Balance advance	**3,718,750**

Note 6 – Commitments and Contingencies

Operating Lease:

The Company adopted ASC 842 with effect from February 1, 2023. Lease assets and liabilities are determined predominantly as the present value of the payments due over the lease term. All leases are recognized as lease liabilities and lease assets on the balance sheet. Lease liabilities represent obligation to make payments arising from the lease. Lease assets represent right to use an underlying asset for the lease term.

Information related to operating lease cost are as follows:

	2023
Operating lease cost	$ 43,142
Right of use asset	222,832
Lease liabilities	232,719
Weighted average remaining lease term	1.4 Years
Weighted average discount rate	5%

The following table presents undiscounted cash outflows for operating leases on annual basis for next five years and thereafter.

	As of June 30, 2023
Less than one year	$ 173,676
1-2 years	57,953
Total	**$ 231,628**

Security deposit related to lease for office premises as on June 30, 2023 $ 234,871.

Note 7 – Income Taxes

The Company has elected to be taxed as a "C" corporation under the provisions of the Internal Revenue Code and applicable state statutes. Total tax provision as of June 30, 2023 was $ 406,116.

The company has Net Operating Loss under the provisions of the Internal Revenue Code and has carried forward such losses. Deferred tax asset on Carried Forward Loss is $ 111,697.

Uncertain tax positions: As of the report date, the Company does not have any uncertain tax liabilities or benefits that could materially affect the effective tax rate. The tax years 2022, 2021, 2020, and 2019 were open as of the report date. Management regularly assesses the tax risk of the Company's return filing positions for all open years.

Note 8 – Litigation and Contingencies

The Company does not have any knowledge of any involvement in legal proceedings, either of which the company has initiated or has been brought against it. The company's liability, if any, have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

Note 9 – Line of Credit

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as "Borrowers"), have secured $ 3,500,000 Line of credit with Patriot Bank. The revolving loan facility was utilized to refinance existing indebtedness of Borrowers with City National Bank and for working capital and general corporate purposes. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The Interest on Revolving loan facility shall bear interest on the outstanding principal amount at the base rate, which is greater of prime rate as quoted by The Wall Street Journal plus 0.4% and 3.65% per annum. The line of credit matures on December 31, 2023. The balance outstanding as of June 30, 2023 was $ 2,359,100. The Interest expense for three months ended June 30, 2023 was $ 67,185.

Note 10 – Term Loan

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as “Borrowers”) entered into an agreement with Patriot Bank (referred to as “Lender”) and obtained a term loan for $ 1,500,000 at the interest rate of 3.81%. The term loan was utilized for repayment of existing indebtedness incurred for acquisition of Motivity Labs Inc. The term loan is repayable in sixty consecutive monthly installments of principal and interest in the amount of $ 27,494.06 each commencing from May 1, 2022. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The borrowers have granted lien to all assets as collateral security for the payment and performance of all the obligations. The financial Covenants pertaining to the term loan are as follows:

a. Commencing with fiscal year ended December 31, 2022 maintain a combined debt service coverage ratio equal to or greater than 1.25 to 1 on an annual basis, determined as of each fiscal year end and
b. Commencing with fiscal year ended December 31, 2022 maintain a debt to capital ratio equal to less than 0.75 to 1 on an annual basis, determined as of each fiscal year end.

The balance outstanding as of June 30, 2023 was $ 1,151,943. Interest expense for three months ended June 30, 2023 was $ 11,720.

Note 11 – Notes payable

Company had acquired 100% stock in Motivity Labs Inc. for $ 5,640,000. The balance consideration payable towards the acquisition was $ 234,955 and is shown under Notes payable in Balance Sheet. The company has obtained a term loan from Patriot Bank and used the proceeds to settle all dues outstanding as of Balance Sheet date towards acquisition.

Note 12 – Stockholder’s Equity

JNIT Technologies INC is authorized to issue 1,000 shares of no par value. The common stocks issued and outstanding were owned by the following share holder:

	June 30, 2023
Balance, beginning of the period	$ 236,259
Balance, end of the period	**$ 236,259**

Effective February 22, 2017, Magellanic Cloud Limited (formerly known as South India Projects Limited) has acquired all the outstanding common stock of JNIT Technologies Inc from the erstwhile shareholders of the Company. This acquisition was effected through a stock swap with the erstwhile shareholders of JNIT Technologies Inc getting shares in South India Projects Limited in exchange for shares in the Company. There was no cash component involved as part of the stock swap.

The entire issued capital of Motivity Labs Inc was held by JNIT technologies Inc and the entire issued capital of Motivity Labs Pvt Ltd was held by Motivity Labs Inc.

Note 13 – Related party transactions

In the ordinary course of business, the Company entered into transactions with entities owned directly/indirectly by the stockholder. All the amount is non-interest bearing and is repayable/recoverable on demand. The Balances as of June 30, 2023 are as follows:

Related Party	Expenses	Accounts receivable	Accounts payable	Loan Given	Advance Given	Rights/Pre paid
JNITH Corporation (RPR Wyatt)		26,419			-	-
JNIT Technologies India Pvt. Ltd.	28,000			-		-
Aitech Corp		232,500		-		-
Sygntech Systems Inc			3,116	-	-	-
Hoozin Inc		80,040				
Motivity Labs Inc		151,656		2,000,000	-	-
Magellanic Cloud Limited - Drone	106,250					3,718,750

Note 14– EIDL

The Company had obtained loan from U.S. Small Business Administration under section 7(b) of the Small Business Act during calendar year 2020. The details pertaining to EIDL are as follows:

Entity	Date of Grant	Amount	Terms and Conditions
JNIT Technologies Inc	January 12, 2022	$ 4,000,000	• Installment payment (including principal and interest) of $ 20,596 will begin 24 months from date of the promissory note • The balance of principal and interest will be payable in thirty years from the date of the promissory note • Interest will accrue at the rate of 3.75% per annum based on funds advanced. • The entity's assets will be given as collateral.

Interest accrued for EIDL for twelve months ended June 30, 2023 was $ 37,500 (including the same value for Motivity Inc).

Note 15 – Employee Retention Credit

JNIT Inc. received $ 1,739,880 as Employee retention credit for two quarters for the calendar year ended December 31, 2021.The ERC Credit received has been disclosed under "Other liabilities" in the balance sheet.

Note 16 – Retirement Benefits

The Company adopted a Flexible 401(k)-profit sharing plan for its employee. There is an age and service period requirement for elective deferral eligibility. The employees are eligible to become participants following one year of employment, with at least 500 hours of service and should have attained a minimum of 21 years of age. The company can make matching contributions, based on its sole discretion as determined year to year. The company did not make any contributions during the three months ended June 30, 2023.

Note 17 – Segment Revenues

The Company's operations comprise only of consulting services and the financial statements reflect the performance for the segment as such.

Note 18 – Subsequent Events

The Company has evaluated subsequent events through August 09, 2023, the date on which the financial statements were available to be issued. The company does not have any other reportable events occurring after the balance sheet date.

Impact of COVID-19 Pandemic: The COVID-19 outbreak in early 2020 had adversely affected the economic activity globally, nationally and locally. However, this has been a thing of the past due to which there has been no specific impact in the year ended 2022, although the recurrence of such an event may impact the business and profitability.

The Management is not aware of any other matter or circumstance, other than those which are disclosed above or not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the company in the subsequent years the financial effects of which has not been provided for as of the June 30, 2023.

Note 19 – Risks and Uncertainties of Doing Business

In addition to the Impact of COVID-19 pandemic discussed in the previous note, many of the Company's engagements involve projects that are critical to the operations of its customers' businesses and provide benefits that may be difficult to quantify. Any failure
in a customer's system could result in a claim for substantial damages against the Company, regardless of the Company's responsibility for such failure. Although the Company attempts to limit contractually its liability for damages arising from errors, mistakes or omissions in rendering its information technology services, there can be no assurance that the limitations of liability set forth in its services contracts will be enforceable in all instances or would otherwise protect the Company from liability for damages. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance

requirements, could adversely affect the Company's business, financial condition and results of operations.

Note 20– Comparative statements

Review of Consolidated Financial Statement has not been done for comparative periods and hence comparative financial statement has not been provided.

JNIT TECHNOLOGIES INC
CONSOLIDATED SUPPLEMENTARY SCHEDULES
FOR THE THREE MONTHS ENDED JUNE 30, 2023

Cost of sales	
Payroll and Benefits	5,428,260
Subcontractors expenses	945,043
Travel expense	15,250
Cost of Services Revenue	1,355,350
Offshore expenses	81,575
Total cost of sales	**$ 7,825,478**
General & adminstrative expenses	
Automobile Expense	6,204
Bank service charges	2,937
Commission	9,009
Contributions	3,837
Dues and Subscriptions	40,023
Insurance	102,796
Legal and Professional Fees	1,132,127
Marketing expense	59,397
Office expenses	301,848
Outside services	1,144,479
Payroll processing fees	8,071
Postage and Delivery	1,788
Royalty Expense	106,250
Rent Expenses	40,725
Taxes and License	2,864
Telephone	27,987
Repairs and maintenance	2,243
Travel	49,006
Provision for bad and doubtful debts	21,550
Total general & adminstrative expenses	**$ 3,063,140**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2023

	Consolidated	Eliminations	JNIT Technologies	Motivity Labs ,Inc	Motivity India
Current Assets					
Cash and cash equivalents	$ 1,780,842		1,412,736	273,031	95,075
Accounts receivable, net	13,560,537	(191,656)	4,282,192	4,368,749	5,101,252
Employee advances	115,882		115,882	-	-
Accrued Interest	6,799		-	-	6,799
Prepaid Expenses	4,186,581		3,876,500	287,500	22,581
Due from affliate	-	(2,000,000)	2,000,000	-	-
Other Current Assets	3,375,381		219,435	1,770,000	1,385,946
Total current assets	**23,026,022**		**11,906,745**	**6,699,280**	**6,611,653**
Other Assets					
Deferred Tax Assets	179,200		125,257	-	53,944
Security Deposits	237,197		1,000	5,822	230,375
Total Other assets	**416,398**		**126,256**	**5,822**	**284,319**
Investments	550,000	(5,640,000)	5,640,000	550,000	-
Goodwill	5,640,000	5,640,000	-	-	-
Property and equipment,net	276,126		25,994	0	250,132
Right - of - use asset	243,427		103,475	119,357	20,595
Total assets	**30,151,973**		**17,802,471**	**7,374,459**	**7,166,699**
Current liabilities					
Accounts payable and accrued liabilities	932,666	(191,656)	474,188	607,382	42,752
Accrued Payroll Liabilities	1,944,784		1,372,676	511,815	60,293
Current portion of long term loan	319,098		319,098	-	-
Note Payable - Current	234,955		234,955	-	-
Line of credit	2,383,121		2,383,121	-	-
Accrued Income taxes	406,116		(44,924)	451,040	-
Other Current Liabilities	2,592,587		-	-	2,592,587
Current portion of lease obligations	173,676		63,907	109,769	
Total current liabilities	**8,987,003**		**4,803,022**	**1,680,006**	**2,695,632**
Other liabilities					
EIDL Loan	4,217,945		2,110,585	2,107,360	-
Term loan	861,714		861,714	-	-
Employee Retention Credit	1,739,881		1,739,881	-	-
Due to affiliates	1,300,324	(2,000,000)	-	2,000,000	1,300,324
Long term portion of lease obligations	60,942		44,101	14,942	1,899
Total other liabilities	**8,180,806**		**4,756,281**	**4,122,302**	**1,302,223**
Stockholder's equity					
Common Stock	236,259		1,150	103,374	131,735
Retained earnings	12,747,905		8,242,018	1,468,778	3,037,109
Total Stockholder's equity	**12,984,164**		**8,243,168**	**1,572,152**	**3,168,844**
Total liabilities & Stockholder's equity	**30,151,973**		**17,802,471**	**7,374,459**	**7,166,699**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
SUPPLEMENTARY INFORMATION
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED JUNE 30, 2023

	Consolidated	Eliminations	JNIT Technologies	Motivity Labs ,Inc	Motivity India
Revenue					
Consulting income	$ 9,000,628	$ (60,000)	4,773,659	4,286,970	-
Revenue from Software Services	3,705,960		-	-	3,705,960
Other income	73,133		-	-	73,133
Total Revenue	**12,779,721**		**4,773,659**	**4,286,970**	**3,779,093**
Cost of sales					
Payroll and Benefits	5,428,260		2,442,516	1,543,147	1,442,597
Subcontractors expenses	945,043		444,387	500,656	-
Travel expense	15,250		8,531	6,719	-
Cost of Services Revenue	1,355,350	(60,000)	-	1,415,350	-
Offshore expenses	81,575		-	81,575	-
Total Cost of Sales	**7,825,478**		**2,895,433**	**3,547,447**	**1,442,597**
Gross Margin	**4,954,243**		**1,878,225**	**739,522**	**2,336,496**
General & admininstrative expenses					
Automobile Expense	6,204		6,204	-	-
Bank service charges	2,937		1,951	579	407
Commission	9,009		-	-	9,009
Contributions	3,837		-	-	3,837
Dues and Subscriptions	40,023		38,670	1,353	-
Insurance	102,796		(5,450)	63,803	44,442
Legal and Professional Fees	1,132,127		58,540	11,520	1,062,067
Marketing expense	59,397		-	59,397	-
Office expenses	301,848		79,084	54,496	168,268
Outside services	1,144,479		1,135,663	8,816	-
Payroll processing fees	8,071		5,758	-	2,313
Postage and Delivery	1,788		1,072	-	716
Royalty Expense	106,250		106,250	-	-
Rent Expenses	40,725		6,220	10,792	23,713
Taxes and License	2,864		931	189	1,745
Telephone	27,987		12,771	540	14,676
Repairs and maintenance	2,243		-	-	2,243
Travel	49,006		44,510	-	4,496
Provision for bad and doubtful debts	21,550		-	21,550	-
Total General & administrative expenses	**3,063,140**		**1,492,172**	**233,035**	**1,337,933**
Income before income taxes	**1,891,104**		**386,053**	**506,488**	**998,563**
Interest expense	$ 136,501		97,305	18,750	20,447
Depreciation	29,428		2,718	-	26,710
Interest expense - Lease liabilities	34,414		1,405	1,659	31,350
Depreciation - Lease Assets	136,078		14,782	25,576	95,720
Income before tax	**1,554,683**		**269,843**	**460,503**	**824,336**
Income Taxes	$ 424,427		57,996	151,335	215,096
Deferred Tax expense	110,393		73,292	42,119	(5,018)
Net Income	**1,019,863**		**138,555**	**267,049**	**614,259**
Other Comprehensive Income	**147,932**				**147,932**
Beginning retained earnings	$ 11,652,641		8,103,463	1,201,729	2,347,449
Foreign currency translation reserve	$ (72,531)				(72,531)
Ending retained earnings	**$ 12,747,905**		**8,242,018**	**1,468,778**	**3,037,109**

JNIT TECHNOLOGIES INC

REVIEWED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND JUNE 30, 2023

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873.
email: balav@vbccpa.com

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VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Stockholder's of,
JNIT Technologies Inc
Parlin, New Jersey

We have reviewed the consolidated financial statements of JNIT technologies Inc (a New Jersey Corporation), and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2023 and June 30, 2023 and the related consolidated statements of income and retained earnings, cash flows and changes in stockholder's equity for each of the three month period September 30, 2023 and June 30, 2023, and the related notes to the consolidated financial statements. We did not review the financial statements of Motivity Labs Private Limited (a wholly owned subsidiary), which statements reflect total assets of $ 9,415,948 and $ 7,166,699 as of September 30, 2023 and June 30, 2023 respectively, total revenue of $ 3,792,715 and $ 3,779,093 and Net income of $ 522,934 and $ 614,259 for the three months ended September 30, 2023 and June 30, 2023 respectively. Those statements were reviewed by other auditors, whose report has been furnished to us and our review, insofar as it relates to the amounts included for Motivity Labs Private Limited, is based solely on the report of other auditors. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter

The supplementary information comprising of the consolidated supplementary schedules on cost of sales and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information in relation to the accompanying reviewed financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Balachander Venkataraman
VBC & Company
Certified Public Accountants
Somerset, New Jersey
November 09, 2023

JNIT TECHNOLOGIES INC
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2023 AND JUNE 30, 2023

	September 30, 2023	June 30, 2023
Current Assets		
Cash and cash equivalents	$ 780,377	$ 1,780,842
Accounts receivable, net	16,108,027	13,560,537
Employee advances	126,352	115,882
Accrued Interest	24,853	6,799
Prepaid Expenses	4,064,576	4,186,581
Other Current Assets	3,809,000	3,090,567
Total current assets	**24,913,185**	**22,741,208**
Other Assets		
Deferred Tax Assets	84,009	179,200
Security Deposits	247,506	234,871
Total Other assets	**331,515**	**414,071**
Investments	550,000	550,000
Goodwill	5,640,000	5,640,000
Property and equipment,net	252,510	276,126
Right - of - use asset	1,957,448	2,150,364
Total assets	**$ 33,644,659**	**$ 31,771,769**
Current liabilities		
Accounts payable and accrued liabilities	$ 1,654,548	$ 931,555
Accrued Payroll Liabilities	1,786,594	1,944,784
Current portion of long term loan	319,098	319,098
Note Payable - Current	234,955	234,955
Line of credit	2,384,179	2,383,121
Accrued Income taxes	1,342,659	889,606
Other Current Liabilities	1,606,288	1,843,388
Current portion of lease obligations	173,676	173,676
Total current liabilities	**9,501,996**	**8,720,183**
Other liabilities:		
EIDL Loan	4,255,445	4,217,945
Term loan	790,031	861,714
Employee Retention Credit	1,739,881	1,739,881
Due to affiliates	903,306	1,300,324
Long term portion of lease obligations	1,808,593	1,947,558
Total other liabilities	**9,497,257**	**10,067,422**
Stockholder's equity		
Common Stock	236,259	236,259
Retained earnings	14,389,904	12,672,504
Accumulated Other Comprehensive Income	19,243	75,401
Total Stockholder's equity	**14,645,406**	**12,984,164**
Total liabilities & Stockholder's equity	**$ 33,644,659**	**$ 31,771,769**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND JUNE 30, 2023

	September 30, 2023	June 30, 2023
Revenue		
Consulting income	$ 9,652,353	$ 9,000,628
Revenue from Software Services	2,499,879	3,705,960
Other income	62,636	73,133
Total Revenue	**12,214,868**	**12,779,721**
Cost of sales	7,294,468	7,825,478
General & admininstrative expenses	2,388,509	3,063,140
Income from operations	**2,531,891**	**1,891,104**
Interest expense	148,940	136,501
Depreciation	32,398	29,428
Interest expense - Lease liabilities	67,029	34,414
Depreciation - Lease Assets	165,687	136,078
Income before tax	**2,117,838**	**1,554,683**
Income Taxes	306,114	424,427
Deferred Tax expense	94,324	110,393
Net Income	**1,717,400**	**1,019,863**
Foreign Currency Translation Reserve	(38,705)	10,866
Other Comprehensive Income/(Loss)	(17,453)	(97,826)
Total Comprehensive Income	**$ 1,661,242**	**$ 932,903**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND JUNE 30, 2023

	September 30, 2023	June 30, 2023
Cash flow from operating activities		
Net income after taxes	$ 1,717,400	$ 1,019,863
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	32,398	29,428
Depreciation - Lease assets	232,716	170,492
Other comprehensive income movement	(17,453)	(97,826)
Foreign currency translation reserve	(38,705)	10,866
Changes in operating assets and liabilities:		
Trade and other receivables	(2,547,490)	(3,230,860)
Prepaid Expenses	122,005	135,994
Net lease assets	(178,766)	(155,611)
Employee advances	(10,470)	1,000
Other assets	(30,689)	13,061
Other current assets	(718,433)	2,090,642
Accounts payable, accrued expenses and other liabilities	722,993	(321,985)
Accrued payroll and related costs	(158,190)	390,243
Deffered taxes	95,191	205,203
Other current liabilities	215,953	203,112
Net cash provided by / (used in) operating activities	**(561,539)**	**463,621**
Cash flow from investing activities		
Purchase of assets	(8,782)	(1,058)
Net cash provided by / (used in) investing activities	**(8,782)**	**(1,058)**
Cash flow from financing activities		
Proceeds from borrowings, net	(430,143)	620,522
Net cash provided by / (used in) financing activities	**(430,143)**	**620,522**
Increase (decrease) in cash and cash equivalents	**(1,000,464)**	**1,083,086**
Cash and cash equivalents, beginning of period	1,780,842	697,756
Cash and cash equivalents, end of period	**$ 780,378**	**$ 1,780,842**
Interest paid	**$ 69,864**	**$ 75,094**
Taxes paid	**$ -**	**$ -**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S EQUITY
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND JUNE 30, 2023

	September 30, 2023	June 30, 2023
Common stock		
Issued and outstanding:		
Balance, beginning of period	$ 236,259	$ 236,259
Balance, end of period	**236,259**	**236,259**
Retained Earnings		
Balance, beginning of period	**12,672,504**	**11,652,641**
Net Income	1,717,400	1,019,863
Balance, end of period	**14,389,904**	**12,672,504**
Accumulated Other Comprehensive Income		
Balance, beginning of period	**(72,531)**	**(83,397)**
Change in foreign currency transalation adjustment	(38,705)	10,866
Balance, end of period	**(111,236)**	**(72,531)**
Other Comprehensive Income/(Loss)	130,479	147,932
Total Sockholder's Equity	**$ 14,645,406**	**$ 12,984,164**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC.

NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND JUNE 30, 2023

Note 1- Summary of significant accounting policies

Nature of Operations – JNIT Technologies Inc. was incorporated as a New Jersey Corporation in August 2010, is engaged in providing software development and consulting services to various industries throughout the United States. The financial statements represent the consolidated financial statements of JNIT Technologies Inc, Motivity Labs, Inc. (subsidiary) and Motivity Labs Private Ltd (step down subsidiary - Incorporated in India). JNIT Technologies Inc along with its subsidiary and step-down subsidiary are collectively referred to as “the Company” in this report.

Numerous factors affect the Company's operating results, including general economic conditions, market acceptance and demand for its consulting services, its ability to obtain new clients, and rapidly changing technologies and competition. The Company’s customer base covers a broad spectrum of industries including, Engineering, Financials, Information technologies, Manufacturing, Telecommunication among others.

Accounting Policies – These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepting in the United States of America (“GAAP”); consequently, revenues are accepted when services are rendered and expenses reflected when costs are incurred.

Concentration of Credit Risk - The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. With respect to trade receivables, the Company generally does not require collateral because of the common business practice prevailing in the industry and also that majority of the Company's customers are fairly well established companies operating in a variety of industries and geographic regions. When necessary, the Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Use of Estimates - The Company's management makes estimates and assumptions in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those results implicit in the estimates and assumption.

Cash and cash equivalents – Cash and cash equivalents consist of demand deposits. The Company considers all highly liquid investments purchased with a remaining maturity principally of three months or less to be cash equivalents.

The Company maintains its cash in a bank deposit account that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Financial Instruments - The Company's financial instruments including cash and cash equivalents, accrued expenses, accounts receivable, accounts payable and lines of credit debt, all of which approximate fair value at the balance sheet dates.

Accounts receivable – Accounts receivable are generated from various commercial entities. Accounts receivable are stated at cost less an allowance for doubtful accounts if considered necessary. Credit is extended to customers after an evaluation of the customer’s financial condition, and generally collateral is not required. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions and other risks inherent in the accounts receivable portfolio.

Allowance for Doubtful Accounts - The allowance for doubtful accounts reflects the Company’s best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence. Allowance for Doubtful accounts as on September 30, 2023 and June 30, 2023 was $ 83,483 respectively.

Revenue Recognition - The Company generates most of its revenues from Technology Staffing, and IT Services. Comprehensive revenue recognition model is designed to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenues are recognized as control of the promised service is transferred to customers, in an amount that reflects the consideration expected in exchange for the services. Revenues from contract assignments are recognized over time, based on hours worked by the Company’s contract professionals. The performance of the requested service over time is the single performance obligation for assignment revenues. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods.

The Company recognizes most of its revenue on a gross basis when it acts as a principal in its transactions. The Company has direct contractual relationships with its customers, bears the risks and rewards of its arrangements, has the discretion to select the contract professionals and establish the price for the services to be provided. The Company primarily provides services through its employees and through subcontractors; the related costs are included in cost of sales. The Company includes billable expenses (out-of-pocket reimbursable expenses) in revenue and the associated expenses are included in cost of sales. Maintenance revenues, if any, are recognized ratably over the term of the underlying maintenance agreement.

Impact of New Accounting Standards - In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers, further amended in July 2015. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. The Company has adopted Accounting Standards Update (“ASU”) No. 2014-09, effective January 01, 2019. Revenue from Contracts with Customers, using the modified retrospective method. The adoption allows companies to apply the new revenue standard to reporting periods beginning in the year the standard is first implemented, while prior periods continue to be reported in accordance with previous accounting guidance. Since the adoption of Accounting Standards Codification (“ASC”) 606 did not have a significant impact on the recognition of revenue, the Company did not have an opening retained earnings adjustment.

Cost of Revenues – are classified as cost of sales on the income statement and consist primarily of employee costs and sub-contractors’ costs, and other costs incurred in connection with the execution of projects.

Unbilled Revenues – represents services rendered prior to being invoiced due to certain contractual restrictions. The Unbilled revenue as on September 30, 2023 and June 30, 2023 was $ 4,220,000 and $ 2,480,000 respectively and is included under Accounts Receivable in the Balance sheet.

Property and equipment – Property and equipment, consisting of computers, furniture, vehicle and equipment, are stated at cost. Improvements which substantially increase the useful lives of assets are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or disposal, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is recorded. Depreciation on all property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from three to five years. Depreciation expense for the three months ended September 30, 2023 and June 30, 2023 was $ 2,700 and $ 2,718 respectively.

Investment – The Company has characterized its investments in marketable securities, based on the priority of the inputs used to value the investments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and lowest priority to unobservable inputs (Level 3). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying balance sheets are categorized based on the inputs to valuation techniques as follows:

Level 1 – These are investments where values are based on unadjusted quoted prices for identical asset in an active market the Company has the ability to access.
Level 2 – These are investments where values are based on quoted market prices that are not active or model derived valuations in which all significant inputs are observable in active markets.
Level 3 – These are investments where values are derived from techniques in which one or more significant inputs are unobservable.

September 30, 2023 and June 30, 2023	Level 1	Level 2	Level 3	Total
Investments	-	-	$ 550,000	$ 550,000

The Company had invested in a stock purchase of Motivity Labs on January 01, 2020. The total value of investment for 68% stock was $3,400,000, the Initial purchase price of which the company has made a payment of $1,360,000 (40%) of the purchase price and the balance amount $ 2,040,000 (60%) will be paid in Six installments of $340,000 every four months, commencing four months after the Closing Date. The installment payments will have interest at the rate of 6 % per annum after twelve months from the closing date. As per the agreement the Purchaser shall purchase all of the Remaining Shareholders' shares of capital stock of the Company (the "Remaining Shares") within eighteen (18) months from the date the agreement was entered.

The Company has acquired the balance 32% stock in Motivity Labs Inc in January 2021, and thus owns 100% stock in Motivity Labs Inc. The total consideration was $ 5,640,000 and was fully paid.

Income Taxes – The Company is taxed as a "C" corporation and as such accounts for income taxes pursuant to the provisions of Statement of Financial Statement Accounting Standards No. 109 "Accounting for Income Taxes." Under SFAS No. 109, deferred tax liabilities and assets are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Any deferred tax assets recognized for net operating loss carry-forwards and other items are reduced by a valuation allowance when it is more likely than not that the benefits may not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. There are no material deferred tax liabilities as of September 30, 2023 and June 30, 2023. The company has deferred tax asset as of the above date as per the provision available under Internal Revenue Code to carry forward net operating loss. The deferred tax assets as of September 30, 2023 and June 30, 2023 was $ 13,560 and $ 125,257 respectively.

Impairment of Assets - The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to Income statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Leases
When the company is the lessee, all leases with a term of more than 12 months are recognized as right-of-use (ROU) assets and associated lease liabilities in the Balance Sheet. The lease liabilities are determined using the present value of the lease payments not yet paid and the company's incremental borrowing rate, which approximates the rate at which the company would borrow on a secured basis in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the company is the lessee. The ROU asset equals the lease liability adjusted for any initial direct costs (IDCs), prepaid rent and lease incentives. Operating leases are included in operating right-of-use assets–net and lease liabilities in the Balance Sheet. The lease term includes options to extend or terminate the lease when it is reasonably certain that the company will exercise that option.

Note 2 – Advertising Costs

The Company expenses advertising costs in the period incurred. The Company did not incur any advertising and business promotion expenses for the three months ended September 30, 2023 and June 30, 2023 was zero.

Note 3 – Cash and Cash equivalents

As of September 30, 2023 and June 30, 2023, the Cash and cash equivalents was $ 780,377 and $ 1,780,842 respectively.

Note 4 – Property and equipment

	As at September 30, 2023	**As at June 30, 2023**
Computer equipment and software	$ 112,646	$ 112,646
Furniture & Fixtures	73,856	73,856
Vehicle	42,323	42,323
Other fixed assets	22809	22,809
Total assets	**251,634**	**251,634**
Less: Accumulated depreciation	(228,340)	(225,640)
Property and Equipment, net	**$ 23,294**	**$ 25,994**

The depreciation expense for the three months ended September 30, 2023 and June 30, 2023 was $ 2,700 and $ 2,718 respectively.

Note 5 – Prepaid Expenses

On April 6, 2022, JNIT Technologies Inc (Licensee) entered into a Technology License agreement with Magellanic Cloud Limited (Licensor) to obtain a license for the technical know-how and IPR in the drone based technology solution/products on an exclusive basis. Summary of terms and conditions are as follows:

- Licensee shall pay to licensor a royalty fee of 20% of the revenue derived from the sale of products subject to minimum of USD 425,000 per annum (net of any applicable taxes)
- Licensor shall raise an invoice annually on March 31 for every calendar year for the royalty based on the audited revenue details provided by the licensee for the previous calendar year
- Licensee shall pay an upfront advance payment of $ 4,250,000 which shall be adjusted against the payment due to the licensor under this agreement.
- Upon termination of this agreement, the licensor shall after adjusting any royalty amount due under this agreement refund the balance amount to the licensee for the unexpired period of the term
- The agreement commences from the effective date (April 6, 2022) and continue thereafter for a period of ten years unless extended in writing by the parties hereto for a further period of five years or terminated earlier in accordance with the terms and conditions as stipulated in the agreement.
- The agreement may be terminated by mutual written consent of the parties hereto.

	30-September-2023	**30-June-2023**
Drone Rights	4,250,000	4,250,000
Less: Amortization of advance	(637,500)	(531,250)
Balance advance	**3,612,500**	**3,718,750**

Note 6 – Commitments and Contingencies

Operating Lease:

The Company adopted ASC 842 with effect from February 1, 2023. Lease assets and liabilities are determined predominantly as the present value of the payments due over the lease term. All leases are recognized as lease liabilities and lease assets on the balance sheet. Lease liabilities represent obligation to make payments arising from the lease. Lease assets represent right to use an underlying asset for the lease term.

Information related to operating lease cost are as follows:

	2023
Operating lease cost	$ 43,142
Right of use asset	222,832
Lease liabilities	232,719
Weighted average remaining lease term	1.4 Years
Weighted average discount rate	5%

The following table presents undiscounted cash outflows for operating leases on annual basis for next five years and thereafter.

	As of September 30, 2023	As of June 30, 2023
Less than one year	$ 156,036	$ 173,676
1-2 years	32,450	57,953
Total	**$ 188,487**	**$ 231,628**

Security deposit related to lease for office premises as on September 30, 2023 and June 30, 2023 was $ 247,506 and $ 234,871.

Note 7 – Income Taxes

The Company has elected to be taxed as a "C" corporation under the provisions of the Internal Revenue Code and applicable state statutes. Total tax provision as of September 30, 2023 and June 30, 2023 was $ 682,199 and $ 406,116 respectively.

The company has Net Operating Loss under the provisions of the Internal Revenue Code and has carried forward such losses. Deferred tax asset on Carried Forward Loss is $ 13,560.

Uncertain tax positions: As of the report date, the Company does not have any uncertain tax liabilities or benefits that could materially affect the effective tax rate. The tax years 2022, 2021, 2020, were open as of the report date. Management regularly assesses the tax risk of the Company's return filing positions for all open years.

Note 8 – Litigation and Contingencies

The Company does not have any knowledge of any involvement in legal proceedings, either of which the company has initiated or has been brought against it. The company's liability, if any, have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

Note 9 – Line of Credit

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as "Borrowers"), have secured $ 3,500,000 Line of credit with Patriot Bank. The revolving loan facility was utilized to refinance existing indebtedness of Borrowers with City National Bank and for working capital and general corporate purposes. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The Interest on Revolving loan facility shall bear interest on the outstanding principal amount at the base rate, which is greater of prime rate as quoted by The Wall Street Journal plus 0.4% and 3.65% per annum. The line of credit matures on December 31, 2023. The balance outstanding as of September 30, 2023 and June 30, 2023 was $ 2,384,179 and $ 2,383,121 respectively. The Interest expense for three months ended September 30, 2023 and June 30, 2023 was $ 53,830 and $ 67,185 respectively.

Note 10 – Term Loan

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as “Borrowers”) entered into an agreement with Patriot Bank (referred to as “Lender”) and obtained a term loan for $ 1,500,000 at the interest rate of 3.81%. The term loan was utilized for repayment of existing indebtedness incurred for acquisition of Motivity Labs Inc. The term loan is repayable in sixty consecutive monthly installments of principal and interest in the amount of $ 27,494.06 each commencing from May 1, 2022. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The borrowers have granted lien to all assets as collateral security for the payment and performance of all the obligations. The financial Covenants pertaining to the term loan are as follows:

a. Commencing with fiscal year ended December 31, 2022 maintain a combined debt service coverage ratio equal to or greater than 1.25 to 1 on an annual basis, determined as of each fiscal year end and
b. Commencing with fiscal year ended December 31, 2022 maintain a debt to capital ratio equal to less than 0.75 to 1 on an annual basis, determined as of each fiscal year end.

The balance outstanding as of September 30, 2023 and June 30, 2023 was $ 1,109,129 and $ 1,180,812 respectively. Interest expense for three months ended September 30, 2023 and June 30, 2023 was $ 10,800 and $ 11,720 respectively.

Note 11 – Notes payable

Company had acquired 100% stock in Motivity Labs Inc. for $ 5,640,000. The balance consideration payable towards the acquisition was $ 234,955 and is shown under Notes payable in Balance Sheet. The company has obtained a term loan from Patriot Bank and used the proceeds to settle all dues outstanding as of Balance Sheet date towards acquisition.

Note 12 – Stockholder’s Equity

JNIT Technologies INC is authorized to issue 1,000 shares of no par value. The common stocks issued and outstanding were owned by the following share holder:

	September 30, 2023	**June 30, 2023**
Balance, beginning of the period	$ 236,259	$ 236,259
Balance, end of the period	**$ 236,259**	**$ 236,259**

Effective February 22, 2017, Magellanic Cloud Limited (formerly known as South India Projects Limited) has acquired all the outstanding common stock of JNIT Technologies Inc from the erstwhile shareholders of the Company. This acquisition was effected through a stock swap with the erstwhile shareholders of JNIT Technologies Inc getting shares in South India Projects Limited in exchange for shares in the Company. There was no cash component involved as part of the stock swap.

The entire issued capital of Motivity Labs Inc was held by JNIT technologies Inc and the entire issued capital of Motivity Labs Pvt Ltd was held by Motivity Labs Inc.

Note 13 – Related party transactions

In the ordinary course of business, the Company entered into transactions with entities owned directly/indirectly by the stockholder. All the amount is non-interest bearing and is repayable/recoverable on demand. The Balances as of September 30, 2023 are as follows:

Related Party	**Expenses**	**Accounts receivable**	**Accounts payable**	**Loan Given**	**Advance Given**	**Rights/Pre paid**
JNITH Corporation (RPR Wyatt)		25,946				
JNIT Technologies India Pvt. Ltd.	66,000					
Aitech Corp		547,500				
Sygntech Systems Inc			3,116			
Hoozin Inc		80,040				
Motivity Labs Inc		51,656		2,317,000		
Magellanic Cloud Limited - Drone	212,500					3,612,500

The Balances as of June 30, 2023 are as follows:

Related Party	**Expenses**	**Accounts receivable**	**Accounts payable**	**Loan Given**	**Advance Given**	**Rights/Pre paid**
JNITH Corporation (RPR Wyatt)		26,419				
JNIT Technologies India Pvt. Ltd.	28,000					
Aitech Corp		232,500				
Sygntech Systems Inc			3,116			
Hoozin Inc		80,040				
Motivity Labs Inc		151,656		2,000,000		
Magellanic Cloud Limited - Drone	106,250					3,718,750

Note 14– EIDL

The Company had obtained loan from U.S. Small Business Administration under section 7(b) of the Small Business Act during calendar year 2020. The details pertaining to EIDL are as follows:

Entity	Date of Grant	Amount	Terms and Conditions
JNIT Technologies Inc	January 12, 2022	$ 4,000,000	• Installment payment (including principal and interest) of $ 20,596 will begin 24 months from date of the promissory note • The balance of principal and interest will be payable in thirty years from the date of the promissory note • Interest will accrue at the rate of 3.75% per annum based on funds advanced. • The entity's assets will be given as collateral.

Interest accrued for EIDL for three months ended September 30, 2023 and June 30, 2023 was $ 18,750 and $ 18,750 (including the same value for Motivity Inc) respectively.

Note 15 – Employee Retention Credit

JNIT Inc. received $ 1,739,880 as Employee retention credit for two quarters for the calendar year ended December 31, 2021.The ERC Credit received has been disclosed under "Other liabilities" in the balance sheet.

Note 16 – Retirement Benefits

The Company adopted a Flexible 401(k)-profit sharing plan for its employee. There is an age and service period requirement for elective deferral eligibility. The employees are eligible to become participants following one year of employment, with at least 500 hours of service and should have attained a minimum of 21 years of age. The company can make matching contributions, based on its sole discretion as determined year to year. The company did not make any contributions during the three months ended September 30, 2023 and June 30, 2023.

Note 17 – Segment Revenues

The Company's operations comprise only of consulting services and the financial statements reflect the performance for the segment as such.

Note 18 – Subsequent Events

The Company has evaluated subsequent events through November 09, 2023, the date on which the financial statements were available to be issued. The company does not have any other reportable events occurring after the balance sheet date.

Impact of COVID-19 Pandemic: The COVID-19 outbreak in early 2020 had adversely affected the economic activity globally, nationally and locally. However, this has been a thing of the past due to which there has been no specific impact in the year ended 2022, although the recurrence of such an event may impact the business and profitability.

The Management is not aware of any other matter or circumstance, other than those which are disclosed above or not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the company in the subsequent years the financial effects of which has not been provided for as of the September 30, 2023 and June 30, 2023.

Note 19 – Risks and Uncertainties of Doing Business

In addition to the Impact of COVID-19 pandemic discussed in the previous note, many of the Company's engagements involve projects that are critical to the operations of its customers' businesses and provide benefits that may be difficult to quantify. Any failure
in a customer's system could result in a claim for substantial damages against the Company, regardless of the Company's responsibility for such failure. Although the Company attempts to limit contractually its liability for damages arising from errors, mistakes or omissions in rendering its information technology services, there can be no assurance that the limitations of liability set forth in its services contracts will be enforceable in all instances or would otherwise protect the Company from liability for damages. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

Note 20– Comparative statements

Certain comparative figures have been reclassified as needed to confirm to current period's presentation.

JNIT TECHNOLOGIES INC
CONSOLIDATED SUPPLEMENTARY SCHEDULES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023 AND JUNE 30, 2023

	September 30, 2023	June 30, 2023
Other Income		
Other Income	$ 62,636	$ 73,133
Total Other Income	**$ 62,636**	**$ 73,133**
Cost of sales		
Payroll and Benefits	$ 5,300,753	$ 5,428,260
Subcontractors expenses	1,729,379	945,043
Travel expense	3,221	15,250
Cost of Services Revenue	175,000	1,355,350
Offshore expenses	86,114	81,575
Total cost of sales	**$ 7,294,468**	**$ 7,825,478**
General & adminstrative expenses		
Automobile Expense	$ 5,343	$ 6,204
Bank service charges	2,647	2,937
Commission	10,720	9,009
Contributions	3,835	3,837
Dues and Subscriptions	1,856	40,023
Insurance	113,915	102,796
Legal and Professional Fees	1,368,737	1,132,127
Marketing expense	-	59,397
Office expenses	189,539	301,848
Outside services	495,011	1,144,479
Payroll processing fees	7,980	8,071
Postage and Delivery	357	1,788
Royalty Expense	106,250	106,250
Rent Expenses	15,487	40,725
Taxes and License	1,028	2,864
Telephone	26,505	27,987
Repairs and maintenance	4,917	2,243
Travel	34,382	49,006
Provision for bad and doubtful debts	-	21,550
Total general & adminstrative expenses	**$ 2,388,509**	**$ 3,063,140**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2023

	Consolidated	Eliminations	JNIT Technologies	Motivity Labs ,Inc	Motivity India
Current Assets					
Cash and cash equivalents	$ 780,377		345,852	403,873	30,653
Accounts receivable, net	16,108,027	(51,656)	4,296,068	6,468,386	5,395,229
Employee advances	126,352		118,382	-	7,970
Accrued Interest	24,853		-	-	24,853
Prepaid Expenses	4,064,576		3,770,250	187,500	106,826
Due from affliate	-	(2,317,000)	2,317,000	-	-
Other Current Assets	3,809,000		974,505	1,595,000	1,239,495
Total current assets	**24,913,185**		**11,822,057**	**8,654,758**	**6,805,026**
Other Assets					
Deferred Tax Assets	84,009		13,560	-	70,449
Security Deposits	247,506		1,000	5,822	240,684
Total Other assets	**331,515**		**14,559**	**5,822**	**311,133**
Investments	550,000	(5,640,000)	5,640,000	550,000	-
Goodwill	5,640,000	5,640,000	-	-	-
Property and equipment,net	252,510		23,294	0	229,216
Right - of - use asset	1,957,448		88,693	93,781	1,774,974
Total assets	**$ 33,644,659**		**$ 17,588,604**	**$ 9,304,362**	**$ 9,120,349**
Current liabilities					
Accounts payable and accrued liabilities	$ 1,654,548	(51,656)	$ 234,713	$ 946,947	$ 524,544
Accrued Payroll Liabilities	1,786,594		1,207,501	579,093	-
Current portion of long term loan	319,098		319,098	-	-
Note Payable - Current	234,955		234,955	-	-
Line of credit	2,384,179		2,384,179	-	-
Accrued Income taxes	1,342,659		196,181	486,018	660,460
Other Current Liabilities	1,606,288		-	-	1,606,288
Current portion of lease obligations	173,676		63,907	109,769	
Total current liabilities	**9,501,996**		**4,640,533**	**2,121,828**	**2,791,292**
Other liabilities					
EIDL Loan	4,255,445		2,129,335	2,126,110	-
Term loan	790,031		790,031	-	-
Employee Retention Credit	1,739,881		1,739,881	-	-
Due to affiliates	903,306	(2,317,000)	-	2,317,000	903,306
Long term portion of lease obligations	1,808,593		29,430	(10,968)	1,790,131
Total other liabilities	**9,497,257**		**4,688,677**	**4,432,142**	**2,693,438**
Stockholder's equity					
Common Stock	236,259		1,150	103,374	131,735
Retained earnings	14,409,146		8,258,243	2,647,018	3,503,885
Total Stockholder's equity	**14,645,406**		**8,259,393**	**2,750,392**	**3,635,620**
Total liabilities & Stockholder's equity	**$ 33,644,659**		**$ 17,588,604**	**$ 9,304,362**	**$ 9,120,349**

(See Independent accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC
SUPPLEMENTARY INFORMATION
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023

	Consolidated	Eliminations	JNIT Technologies	Motivity Labs ,Inc	Motivity India
Revenue					
Consulting income	$ 9,652,353	$ (60,000)	$ 3,562,273	$ 6,150,080	$ -
Revenue from Software Services	2,499,879	$ (1,230,200)	-	-	3,730,079
Other income	62,636		-	-	62,636
Total Revenue	**12,214,868**		**3,562,273**	**6,150,080**	**3,792,715**
Cost of sales					
Payroll and Benefits	5,300,753		2,213,141	1,738,759	1,348,853
Subcontractors expenses	1,729,379	$ (60,000)	347,151	1,442,228	-
Travel expense	3,221		2,093	1,128	-
Cost of Services Revenue	175,000	(1,230,200)	-	1,405,200	-
Offshore expenses	86,114		-	86,114	-
Total Cost of Sales	**7,294,468**		**2,562,385**	**4,673,429**	**1,348,853**
Gross Margin	**4,920,400**		**999,888**	**1,476,651**	**2,443,862**
General & admininstrative expenses					
Automobile Expense	5,343		5,343	-	-
Bank service charges	2,647		1,390	792	465
Commission	10,720		-	-	10,720
Contributions	3,835		-	-	3,835
Dues and Subscriptions	1,856		86	1,770	-
Insurance	113,915		2,787	104,197	6,931
Legal and Professional Fees	1,368,737		26,365	3,990	1,338,382
Office expenses	189,539		60,688	27,918	100,933
Outside services	495,011		414,280	80,731	-
Payroll processing fees	7,980		5,920	-	2,060
Postage and Delivery	357		357	-	-
Royalty Expense	106,250		106,250	-	-
Rent Expenses	15,487		13,339	532	1,616
Taxes and License	1,028		-	-	1,028
Telephone	26,505		10,593	540	15,372
Repairs and maintenance	4,917		-	-	4,917
Travel	34,382		27,469	-	6,913
Total General & administrative expenses	**2,388,509**		**674,866**	**220,471**	**1,493,172**
Income before income taxes	**2,531,891**		**325,022**	**1,256,180**	**950,690**
Interest expense	148,940		89,448	18,750	40,742
Depreciation	32,398		2,700	-	29,698
Interest expense - Lease liabilities	67,029		1,223	1,338	64,468
Depreciation - Lease Assets	165,687		14,782	25,576	125,329
Income before tax	**2,117,838**		**216,869**	**1,210,516**	**690,453**
Income Taxes	306,114		88,947	32,275	184,891
Deferred Tax expense	94,324		111,697	-	(17,373)
Net Income	**1,717,400**		**16,225**	**1,178,241**	**522,934**
Other Comprehensive Income	**130,479**				**130,479**
Beginning retained earnings	12,672,504		8,242,018	1,468,778	2,961,708
Foreign currency translation reserve	(111,236)				(111,236)
Ending retained earnings	**$ 14,409,146**		**$ 8,258,243**	**$ 2,647,018**	**$ 3,503,885**

JNIT TECHNOLOGIES INC

REVIEWED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873.
email: balav@vbccpa.com

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VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Stockholder's of,
JNIT Technologies Inc
Parlin, New Jersey

We have reviewed the financial statements of JNIT technologies Inc (a New Jersey Corporation), which comprise the balance sheets as of December 31, 2023 and September 30, 2023 and the related statements of income and retained earnings, cash flows and changes in stockholder's equity for the three month period December 31, 2023 and September 30, 2023, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter

The supplementary information comprising of the supplementary schedules on cost of sales and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information in relation to the accompanying reviewed financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Balachander Venkataraman
VBC & Company
Certified Public Accountants
Somerset, New Jersey
February 12, 2024

JNIT TECHNOLOGIES INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Current Assets		
Cash and cash equivalents	$ 125,856	$ 345,852
Accounts receivable, net	5,076,182	3,501,068
Unbilled Revenue	740,000	795,000
Employee advances	118,382	118,382
Prepaid Expenses	3,506,250	3,770,250
Due from affliate	1,724,000	2,317,000
Other Current Assets	402,816	974,505
Total current assets	**11,693,486**	**11,822,057**
Other Assets		
Deferred Tax Assets	17,952	13,560
Security deposits	1,000	1,000
Total Other assets	**18,952**	**14,559**
Investments	5,640,000	5,640,000
Property and equipment,net	20,594	23,294
Right - of - use asset	73,911	88,693
Total assets	**$ 17,446,944**	**$ 17,588,604**
Current liabilities		
Accounts payable and accrued liabilities	$ 514,716	$ 234,713
Accrued Payroll Liabilities	531,419	1,207,501
Current portion of long term loan	295,797	319,098
Line of credit	2,383,595	2,384,179
Accrued Income taxes	300,808	196,181
Note Payable - Current	234,955	234,955
Current portion of lease obligations	62,324	63,907
Total current liabilities	**4,323,614**	**4,640,533**
Other liabilities		
EIDL Loan	2,148,085	2,129,335
Term loan	741,093	790,031
Employee Retention Credit	1,739,881	1,739,881
Long term portion of lease obligations	16,158	29,430
Total other liabilities	**4,645,217**	**4,688,677**
Stockholder's equity		
Common Stock	1,150	1,150
Retained earnings	8,476,962	8,258,243
Total Stockholder's equity	**8,478,112**	**8,259,393**
Total liabilities & Stockholder's equity	**$ 17,446,944**	**$ 17,588,604**

(See accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC.
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Revenue		
Consulting Income	$ 4,754,681	$ 3,562,273
Total Revenue	**4,754,681**	**3,562,273**
Cost of sales	3,953,931	2,976,665
Gross Profit	**800,750**	**585,608**
General and administrative expenses	315,519	260,586
Income before Interest, Depreciation and Tax	**485,231**	**325,022**
Interest expense	88,813	89,448
Interest expense - Lease liabilities	1,039	1,223
Depreciation	2,700	2,700
Depreciation - Lease Assets	14,782	14,782
Income before tax	**377,897**	**216,869**
Income Taxes	163,571	88,947
Deferred Income tax	(4,393)	111,697
Net Income	**$ 218,719**	**$ 16,225**

JNIT TECHNOLOGIES INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Cash flow from operating activities		
Net income	$ 218,719	$ 16,225
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	2,700	2,700
Changes in operating assets and liabilities:		
Trade and other receivables	(1,520,114)	(13,876)
Loans and Advances	-	(2,500)
Other current assets	1,164,689	(1,072,070)
Net lease assets	(73)	111
Prepaid Expenses	264,000	106,250
Accounts payable, accrued expenses and other liabilities	(272,701)	(144,796)
Deferred Tax Assets	(4,393)	111,697
Net cash provided by / (used in) operating activities	**(147,173)**	**(996,259)**
Cash flow from investing activities		
Net cash provided by / (used in) investing activities	**-**	**-**
Cash flow from financing activities		
Repayment of Term Loan	(72,239)	(71,683)
Line of credit	(583)	1,057
Net cash provided by / (used in) financing activities	**(72,823)**	**(70,625)**
Increase (decrease) in cash and cash equivalents	(219,995)	(1,066,884)
Cash and cash equivalents, beginning of period	345,852	1,412,736
Cash and cash equivalents, end of period	**$ 125,856**	**$ 345,852**
Interest paid	$ 70,646	$ 69,863
Taxes paid	$ 70,705	$ -

(See accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Common stock and paid-in capital		
Balance, beginning of period	$ 1,150	$ 1,150
Addition during the year		
Balance, end of period	**1,150**	**1,150**
Retained earnings		
Balance, beginning of period	8,258,243	8,242,018
Net Income	218,719	16,225
Balance, end of period	**8,476,962**	**8,258,243**
Total Stockholder's equity	**$ 8,478,112**	**$ 8,259,393**

(See accountant's review report and accompanying notes to financial statements)

JNIT TECHNOLOGIES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

Note 1- Summary of significant accounting policies

Nature of Operations – JNIT Technologies Inc. was incorporated as a New Jersey Corporation in August 2010, is engaged in providing software development and consulting services to various industries throughout the United States.

Numerous factors affect the Company's operating results, including general economic conditions, market acceptance and demand for its Consulting services, its ability to obtain new clients, and rapidly changing technologies and competition. The Company's customer base covers a broad spectrum of industries including, Engineering, Financials, Information technologies, Manufacturing, Telecommunication among others.

Accounting Policies – These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepting in the United States of America ("GAAP"); consequently, revenues are accepted when services are rendered and expenses reflected when costs are incurred.

Concentration of Credit Risk - The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. With respect to trade receivables, the Company generally does not require collateral because of the common business practice prevailing in the industry and also that majority of the Company's customers are fairly well established companies operating in a variety of industries and geographic regions. When necessary, the Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Use of Estimates - The Company's management makes estimates and assumptions in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those results implicit in the estimates and assumption.

Cash and cash equivalents – Cash and cash equivalents consist of demand deposits. The Company considers all highly liquid investments purchased with a remaining maturity principally of three months or less to be cash equivalents.

The Company maintains its cash in a bank deposit account that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Financial Instruments - The Company's financial instruments including cash and cash equivalents, accrued expenses, accounts receivable, accounts payable and lines of credit debt, all of which approximate fair value at the balance sheet dates.

Accounts receivable – Accounts receivable are generated from various commercial entities. Accounts receivable are stated at cost less an allowance for doubtful accounts if considered necessary. Credit is extended to customers after an evaluation of the customer's financial condition, and generally collateral is not required. Management's determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions and other risks inherent in the accounts receivable portfolio.

Allowance for Doubtful Accounts - The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence. Allowance for Doubtful accounts as on December 31, 2023 and September 30, 2023 was $ 83,483 respectively.

Revenue Recognition - In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers, further amended in July 2015. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. Effective January 01, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, using the modified retrospective method. The adoption allows companies to apply the new revenue standard to reporting periods beginning in the year the standard is first implemented, while prior periods continue to be reported in accordance with previous accounting guidance. Since the adoption of Accounting Standards Codification ("ASC") 606 did not have a significant impact on the recognition of revenue, the Company did not have an opening retained earnings adjustment.

The Company generates most of its revenues from Technology Staffing, and IT Services. Comprehensive revenue recognition model is designed to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenues are recognized as control of the promised service is transferred to customers, in an amount that reflects the consideration expected in exchange for the services. Revenues from contract assignments are recognized over time, based on hours worked by the Company's contract professionals. The performance of the requested service over time is the single performance obligation for assignment revenues. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods. The Company recognizes revenue for fixed-price contracts using percentage of completion method. Under this method of revenue recognition, the Company estimates the progress towards completion to determine the amount of revenue and profit to recognize on all significant contracts. The Company utilizes a cost-to-cost approach in applying the percentage-of-completion method, under which revenue is earned in proportion to total costs incurred, divided by total costs expected to be incurred. The recognition of profit is dependent upon the accuracy of a variety of estimates, including software development progress, achievement of milestones and other incentives, penalty provisions, labor productivity and cost estimates. Such estimates are based on various judgments that the Company makes with respect to those factors and are difficult to accurately determine until the project is significantly underway. Due to uncertainties, inherent in the estimation process, it is possible that actual completion costs may vary from estimates. If estimated total costs on any contract indicate a loss, the Company charges the entire estimated loss to operations in the period the loss first becomes known. Maintenance revenues are recognized ratably over the term of the underlying maintenance agreement.

The Company recognizes most of its revenue on a gross basis when it acts as a principal in its transactions. The Company has direct contractual relationships with its customers, bears the risks and rewards of its arrangements, has the discretion to select the contract professionals and establish the price for the services to be provided. The Company primarily provides services through its employees and through subcontractors; the related costs are included in cost of sales. The Company includes billable expenses (out-of-pocket reimbursable expenses) in revenue and the associated expenses are included in cost of sales.

Cost of Revenues – are classified as cost of sales on the income statement and consist primarily of employee costs and sub-contractors' costs, and other costs incurred in connection with the execution of projects.

Unbilled Revenues – represents services rendered prior to being invoiced due to certain contractual restrictions. The Unbilled revenue as on December 31, 2023 and September 30, 2023 was $ 740,000 and $ 795,000 respectively and is included under Accounts Receivable in the Balance sheet.

Property and equipment – Property and equipment, consisting of computers, furniture, vehicle and equipment, are stated at cost. Improvements which substantially increase the useful lives of assets are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or disposal, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is recorded. Depreciation on all property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from three to five years. Depreciation expense for the three months ended December 31, 2023 and September 30, 2023 was $ 2,700.

Investment – The Company has characterized its investments in marketable securities, based on the priority of the inputs used to value the investments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and lowest priority to unobservable inputs (Level 3). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying balance sheets are categorized based on the inputs to valuation techniques as follows:

Level 1 – These are investments where values are based on unadjusted quoted prices for identical asset in an active market the Company has the ability to access.
Level 2 – These are investments where values are based on quoted market prices that are not active or model derived valuations in which all significant inputs are observable in active markets.
Level 3 – These are investments where values are derived from techniques in which one or more significant inputs are unobservable.

The Company had invested in a stock purchase of Motivity Labs on January 01, 2020. The total value of investment for 68% stock was $ 3,400,000, the Initial purchase price of which the company has made a payment of $ 1,360,000 (40%) of the purchase price and the balance amount $ 2,040,000 (60%) will be paid in Six installments of $ 340,000 every four months, commencing four months after the Closing Date. The installment payments will have interest at the rate of 6 % per annum after twelve months from the closing date. As per the agreement the Purchaser shall purchase all of the Remaining Shareholders' shares of capital stock of the Company (the "Remaining Shares") within eighteen (18) months from the date the agreement was entered.

The Company had acquired the balance 32% stock in Motivity Labs Inc in January 2021, and thus owns 100% stock in Motivity Labs Inc.

Income Taxes – The Company is taxed as a “C” corporation and as such accounts for income taxes pursuant to the provisions of Statement of Financial Statement Accounting Standards No. 109 “Accounting for Income Taxes.” Under SFAS No. 109, deferred tax liabilities and assets are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Any deferred tax assets recognized for net operating loss carry-forwards and other items are reduced by a valuation allowance when it is more likely than not that the benefits may not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. There are no material deferred tax liabilities as of December 31, 2023 and September 30, 2023. The company has deferred tax asset as of the above date as per the provision available under Internal Revenue Code to carry forward net operating loss. The deferred tax assets as of December 31, 2023 and September 30, 2023 was $ 17,952 and $ 13,560 respectively.

Impairment of Assets - The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to Income statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Leases

When the company is the lessee, all leases with a term of more than 12 months are recognized as right-of-use (ROU) assets and associated lease liabilities in the Balance Sheet. The lease liabilities are determined using the present value of the lease payments not yet paid and the company’s incremental borrowing rate, which approximates the rate at which the company would borrow on a secured basis in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the company is the lessee. The ROU asset equals the lease liability adjusted for any initial direct costs (IDCs), prepaid rent and lease incentives. Operating leases are included in operating right-of-use assets–net and lease liabilities in the Balance Sheet. The lease term includes options to extend or terminate the lease when it is reasonably certain that the company will exercise that option.

Note 2 – Advertising Costs

The Company expenses advertising costs in the period incurred. The Company did not incur any advertising and business promotion expenses for the three months ended December 31, 2023 and September 30, 2023.

Note 3 – Cash and Cash equivalents

As of December 31, 2023 and September 30, 2023, the Cash and cash equivalents was $ 125,856 and $ 345,852 respectively.

Note 4 – Property and equipment

	As at December 31, 2023	As at September 30, 2023
Computer equipment and software	$ 112,646	$ 112,646
Furniture & Fixtures	57,614	57,614
Vehicle	42,323	42,323
Total assets	**212,583**	**212,583**
Less: Accumulated depreciation	(178,781)	(189,288)
Property and Equipment, net	**$ 20,594**	**$ 23,294**

The depreciation expense for the three months ended December 31, 2023 and September 30, 2023 was $ 2,700 respectively.

Note 5 – Prepaid Expenses

On April 6, 2022, JNIT Technologies Inc (Licensee) entered into a Technology License agreement with Magellanic Cloud Limited (Licensor) to obtain a license for the technical know-how and IPR in the drone based technology solution/products on an exclusive basis. Summary of terms and conditions are as follows:

- Licensee shall pay to licensor a royalty fee of 20% of the revenue derived from the sale of products subject to minimum of USD 425,000 per annum (net of any applicable taxes)
- Licensor shall raise an invoice annually on March 31 for every calendar year for the royalty based on the audited revenue details provided by the licensee for the previous calendar year
- Licensee shall pay an upfront advance payment of $ 4,250,000 which shall be adjusted against the payment due to the licensor under this agreement.
- Upon termination of this agreement, the licensor shall after adjusting any royalty amount due under this agreement refund the balance amount to the licensee for the unexpired period of the term
- The agreement commences from the effective date (April 6, 2022) and continue thereafter for a period of ten years unless extended in writing by the parties hereto for a further period of five years or terminated earlier in accordance with the terms and conditions as stipulated in the agreement.
- The agreement may be terminated by mutual written consent of the parties hereto.

	As of December 31, 2023	As of September 30, 2023
Drone Rights	$ 4,250,000	$ 4,250,000
Less: Amortization	(743,750)	(637,500)
Balance advance	**$ 3,506,250**	**$ 3,612,500**

Note 6 – Commitments and Contingencies

Operating Lease:
The Company adopted ASC 842 with effect from February 1, 2023. Lease assets and liabilities are determined predominantly as the present value of the payments due over the lease term. All leases are recognized as lease liabilities and lease assets on the balance sheet. Lease liabilities represent obligation to make payments arising from the lease. Lease assets represent right to use an underlying asset for the lease term.
Information related to operating lease cost are as follows:

	2023
Operating lease cost	$ 15,894
Right of use asset	73,910
Lease liabilities	78,481
Weighted average remaining lease term	1.25 Years
Weighted average discount rate	5%

The following table presents undiscounted cash outflows for operating leases on annual basis for next five years and thereafter.

	As of December 31, 2023	**As of September 30, 2023**
Within one year	$ 64,569	$ 64,238
1-2 years	16,225	32,450
2-3 years	-	-
3-4 years	-	-
4-5 years	-	-
More than 5 years	-	-
Total	**$ 80,795**	**$ 96,689**

Security deposit related to lease for office premises as on December 31, 2023 and September 30, 2023 was $ 1,000.

Note 7 – Income Taxes

The Company has elected to be taxed as a "C" corporation under the provisions of the Internal Revenue Code and applicable state statutes. The components of provision for taxes is as follows:

	Quarter ended December 31, 2023	**Quarter ended September 30, 2023**
Federal Income tax	$ 146,492	$ 99,812
State tax	17,079	41,293
Income tax expense	**163,571**	**141,105**
Deferred tax expense/(Credit)	(4,393)	111,697
Prior year taxes		(52,158)
Total Income tax expense	**$ 159,178**	**$ 200,644**

Components of deferred tax asset is as follows:

	Quarter ended December 31, 2023	Quarter ended September 30, 2023
Depreciation	$ 421	$ (3,971)
Provision for doubtful debts	17,531	17,531
Deferred tax Asset	**$ 17,593**	**$ 13,560**

Uncertain tax positions: As of the report date, the Company does not have any uncertain tax liabilities or benefits that could materially affect the effective tax rate. The tax years 2022, 2021, 2020, were open as of the report date. Management regularly assesses the tax risk of the Company's return filing positions for all open years.

Note 8 – Litigation and Contingencies

The Company does not have any knowledge of any involvement in legal proceedings, either of which the company has initiated or has been brought against it. The company's liability, if any, have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

Note 9 – Line of Credit

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as "Borrowers"), have secured $ 3,500,000 Line of credit with Patriot Bank. The revolving loan facility was utilized to refinance existing indebtedness of Borrowers with City National Bank and for working capital and general corporate purposes. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The Interest on Revolving loan facility shall bear interest on the outstanding principal amount at the base rate, which is greater of prime rate as quoted by The Wall Street Journal plus 0.4% and 3.65% per annum. The line of credit matures on December 31, 2023. The balance outstanding as of December 31, 2023 and September 30, 2023 was $ 2,383,595 and $ 2,384,179 respectively. The Interest expense for three months ended December 31, 2023 and September 30, 2023 was $ 54,240 and $ 53,830 respectively.

Note 10 – Term Loan

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as "Borrowers") entered into an agreement with Patriot Bank (referred to as "Lender") and obtained a term loan for $ 1,500,000 at the interest rate of 3.81%. The term loan was utilized for repayment of existing indebtedness incurred for acquisition of Motivity Labs Inc. The term loan is repayable in sixty consecutive monthly installments of principal and interest in the amount of $ 27,494.06 each commencing from May 1, 2022. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The borrowers have granted lien to all assets as collateral security for the payment and performance of all the obligations. The financial Covenants pertaining to the term loan are as follows:

a. Commencing with fiscal year ended December 31, 2022 maintain a combined debt service coverage ratio equal to or greater than 1.25 to 1 on an annual basis, determined as of each fiscal year end and
b. Commencing with fiscal year ended December 31, 2022 maintain a debt to capital ratio equal to less than 0.75 to 1 on an annual basis, determined as of each fiscal year end.

The balance outstanding as of December 31, 2023 and September 30, 2023 was $ 1,036,890 and $ 1,109,129 respectively. Interest expense for three months ended December 31, 2023 and September 30, 2023 was $ 10,243 and $ 1,800 respectively.

The repayment term for the outstanding loan is as follows:

	As of December 31, 2023	**As of September 30, 2023**
Within one year	$ 295,797	$ 293,000
1-2 years	307,255	304,350
2-3 years	319,157	316,139
3-4 years	114,681	195,641
4-5 years	-	-
More than 5 years	-	-
Total	**$ 1,036,890**	**$ 1,109,129**

Note 11 – Notes payable

Company had acquired 100% stock in Motivity Labs Inc. for $ 5,640,000. The balance consideration payable towards the acquisition was $ 234,955 and is shown under Notes payable in Balance Sheet. The company has obtained a term loan from Patriot Bank and used the proceeds to settle all dues outstanding as of Balance Sheet date towards acquisition.

Note 12 – Stockholder's Equity

JNIT Technologies INC is authorized to issue 1,000 shares of no par value. The common stocks issued and outstanding were owned by the following share holder:

	December 31, 2023	**September 30, 2023**
Balance, beginning of the period	$ 1,150	$ 1,150
Balance, end of the period	**$ 1,150**	**$ 1,150**

Effective February 22, 2017, Magellanic Cloud Limited (formerly known as South India Projects Limited) had acquired all the outstanding common stock of JNIT Technologies Inc from the erstwhile shareholders of the Company. This acquisition was effected through a stock swap with the erstwhile shareholders of JNIT Technologies Inc getting shares in South India Projects Limited in exchange for shares in the Company. There was no cash component involved as part of the stock swap.

JNIT TECHNOLOGIES INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

Note 13 – Related party transactions

In the ordinary course of business, the Company entered into transactions with entities owned directly/indirectly by the stockholder. All the amount is non-interest bearing and is repayable/recoverable on demand.

The Balances as of December 31, 2023 are as follows:

Related Party	Expenses	Accounts receivable	Accounts payable	Loan Given	Advance Given	Rights/Pre paid
JNITH Corporation (RPR Wyatt)	-	(8,054)	-	-	-	-
JNIT Technologies India Pvt. Ltd.	32,000	-	-	-	-	-
Aitech Corp	-	547,500	-	-	-	-
Sygntech Systems Inc	-	-	3,116	105,000	-	-
Hoozin Inc	-	80,040	-	-	-	-
Motivity Labs Inc	-	-	-	1,619,000	-	-
Magellanic Cloud Limited - Drone	106,250	-	-	-	-	3,506,250

The Balances as of September 30, 2023 are as follows:

Related Party	Expenses	Accounts receivable	Accounts payable	Loan Given	Advance Given	Rights/Pre paid
JNITH Corporation (RPR Wyatt)	-	25,946	-	-	-	-
JNIT Technologies India Pvt. Ltd.	38,000	-	-	-	-	-
Aitech Corp	-	547,500	-	-	-	-
Sygntech Systems Inc	-	-	3,116	-	-	-
Hoozin Inc	-	80,040	-	-	-	-
Motivity Labs Inc	-	51,656	-	2,317,000	-	-
Magellanic Cloud Limited - Drone	106,250	-	-	-	-	3,612,500

Note 14– EIDL

The Company had obtained loan from U.S. Small Business Administration under section 7(b) of the Small Business Act during calendar year 2020. The details pertaining to EIDL are as follows:

Entity	Date of Grant	Amount	Terms and Conditions
JNIT Technologies Inc	January 12, 2022	$ 2,000,000	• Installment payment (including principal and interest) of $ 10,298 will begin 24 months from date of the promissory note • The balance of principal and interest will be payable in thirty years from the date of the promissory note • Interest will accrue at the rate of 3.75% per annum based on funds advanced. • The entity's assets will be given as collateral.

Interest accrued for EIDL for three months ended December 31, 2023 and September 30, 2023 was $ 18,750 and $ 18,750 (including the same value for Motivity Inc) respectively.

Note 15 – Employee Retention Credit

The credit is available to eligible employers that paid qualified wages to some or all employees after March 12, 2020, and before January 1, 2022. Eligibility and credit amount vary depending on when the business impacts occurred. To be eligible, employers must have sustained a full or partial suspension of operations due to orders from an appropriate governmental authority limiting commerce, travel or group meetings due to COVID-19 during 2020 or the first three quarters of 2021, experienced a significant decline in gross receipts during 2020 or a decline in gross receipts during the first three quarters of 2021. The credit amount is based on a percentage of qualified wages paid to employees, with the maximum credit amount per employee being subject to certain limitations. As with any tax credit, businesses must ensure they meet all eligibility criteria and comply with the rules and regulations set forth by the Internal Revenue Service (IRS) to claim the ERC.

The Company received $ 1,739,880 as Employee retention credit for two quarters for the calendar year ended December 31, 2021. The management is in the process of re-evaluating eligibility criteria with the help of third party post information disseminated by IRS about ineligible credits claimed. While the management is confident that it is eligible for the credit, as a matter of abundant caution, it is seeking third party professional advice to ensure that it is in compliance. The ERC Credit received has been disclosed under “Other liabilities” in the balance sheet, pending such evaluation and confirmation, as of December 31, 2023.

Note 16 – Retirement Benefits

The Company adopted a Flexible 401(k)-profit sharing plan for its employee. There is an age and service period requirement for elective deferral eligibility. The employees are eligible to become participants following one year of employment, with at least 500 hours of service and should have attained a minimum of 21 years of age. The company can make matching contributions, based on its sole discretion as determined year to year. The company did not make any contributions during the three months ended December 31, 2023 and September 30, 2023.

Note 17 – Segment Revenues

The Company's operations comprise only of consulting services and the financial statements reflect the performance for the segment as such.

Note 18 – Subsequent Events

The Company has evaluated subsequent events through February 12, 2024, the date on which the financial statements were available to be issued. The company does not have any other reportable events occurring after the balance sheet date.

Impact of COVID-19 Pandemic: The COVID-19 outbreak in early 2020 had adversely affected the economic activity globally, nationally and locally. However, this has been a thing of the past due to which there has been no specific impact in the year ended 2022, although the recurrence of such an event may impact the business and profitability.

The Management is not aware of any other matter or circumstance, other than those which are disclosed above or not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the company in the subsequent years the financial effects of which has not been provided for as of the December 31, 2023 and September 30, 2023.

Note 19 – Risks and Uncertainties of Doing Business

In addition to the Impact of COVID-19 pandemic discussed in the previous note, many of the Company's engagements involve projects that are critical to the operations of its customers' businesses and provide benefits that may be difficult to quantify. Any failure in a customer's system could result in a claim for substantial damages against the Company, regardless of the Company's responsibility for such failure. Although the Company attempts to limit contractually its liability for damages arising from errors, mistakes or omissions in rendering its information technology services, there can be no assurance that the limitations of liability set forth in its services contracts will be enforceable in all instances or would otherwise protect the Company from liability for damages. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

Note 20– Comparative statements

Certain comparative figures have been reclassified as needed to confirm to current period's presentation.

JNIT TECHNOLOGIES INC.
SUPPLEMENTARY SCHEDULES
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Cost of sales		
Payroll and Benefits	$ 2,531,340	$ 2,213,141
Outside services	1,139,394	414,280
Subcontractors expenses	283,164	347,151
Travel expense	33	2,093
Total cost of sales	**$ 3,953,931**	**$ 2,976,665**
General & Administrative expenses		
Automobile Expense	$ 5,377	$ 5,343
Bank service charges	1,412	1,390
Dues and Subscriptions	-	86
Insurance	13,153	2,787
Legal and Professional Fees	65,837	26,365
Office expenses	61,494	60,688
Payroll processing fees	6,633	5,920
Postage and Delivery	729	357
Royalty Expense	106,250	106,250
Rent Expenses	6,057	13,339
Telephone	9,550	10,593
Travel	39,028	27,469
Total general & administrative expenses	**$ 315,519**	**$ 260,586**

MOTIVITY LABS INC

REVIEWED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED

DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873.
email: balav@vbccpa.com

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VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Stockholder's of,
Motivity Labs Inc
Irving, TX 75039

We have reviewed the financial statements of Motivity Labs Inc (a Texas Corporation), which comprise the balance sheets as of December 31, 2023 and September 30, 2023 and the related statements of income and retained earnings, cash flows and changes in stockholder's equity for each of the three month period December 31, 2023 and September 30, 2023, and the related notes to the financial statements A review includes primarily applying analytical procedures to management's financial data and making inquiries of company's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

VBC & COMPANY
Certified Public Accountant
A Professional Corporation
97, Cedar Grove Lane, Suite 202,
Somerset, NJ 08873

Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other matter

The supplementary information comprising of the supplementary schedules on cost of sales and general and administrative expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information in relation to the accompanying reviewed financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Balachander Venkataramanan
VBC & Company
Certified Public Accountants
Somerset, New Jersey
February 12, 2024

MOTIVITY LABS INC.
BALANCE SHEETS
AS OF DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Current Assets		
Cash and cash equivalents	$ 359,787	$ 403,873
Accounts receivable, net	9,353,195	3,043,386
Unbilled Revenue	1,250,000	3,425,000
Prepaid Expenses	-	187,500
Other Current Assets	220,000	1,595,000
Total current assets	**11,182,983**	**8,654,759**
Other Assets		
Security deposits	5,822	5,822
Total Other assets	**5,822**	**5,822**
Investments	550,000	550,000
Right - of - use asset	68,205	93,781
Total assets	**$ 11,807,010**	**$ 9,304,362**
Current liabilities		
Accounts payable and accrued liabilities	$ 2,932,085	$ 946,948
Accrued Payroll Liabilities	598,667	579,093
Due to affiliates	1,619,000	2,317,000
Accrued Income taxes	797,551	486,018
Current portion of lease obligations	72,565	98,801
Total current liabilities	**6,019,868**	**4,427,860**
Other liabilities		
EIDL Loan	2,144,860	2,126,110
Total other liabilities	**2,144,860**	**2,126,110**
Stockholder's equity		
Common Stock	103,374	103,374
Retained earnings	3,538,908	2,647,018
Total Stockholder's equity	**3,642,282**	**2,750,392**
Total liabilities & Stockholder's equity	**$ 11,807,010**	**$ 9,304,362**

(See accountant's review report and accompanying notes to financial statements)

MOTIVITY LABS INC.
STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Revenue		
Consulting Income	$ 8,508,533	$ 6,150,080
Total Revenue	**8,508,533**	**6,150,080**
Cost of sales	6,919,894	4,673,429
Gross Profit	**1,588,639**	**1,476,651**
General and administrative expenses	340,076	220,471
Income before Interest, Depreciation and Tax	**1,248,563**	**1,256,180**
Interest expense	18,750	18,750
Interest expense - Lease liabilities	1,012	1,338
Depreciation - Lease Assets	25,576	25,576
Income before tax	**1,203,225**	**1,210,516**
Income Taxes	792,824	32,275
Prior period Income Taxes	(481,488)	-
Net Income	**$ 891,890**	**$ 1,178,241**

(See accountant's review report and accompanying notes to financial statements)

MOTIVITY LABS INC.
STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Cash flow from operating activities		
Net income	$ 891,890	$ 1,178,241
Adjustments to reconcile net income to net cash used in operating activities:		
Changes in operating assets and liabilities:		
Trade and other receivables	(4,134,809)	(2,099,637)
Other current assets	1,375,000	175,000
Prepaid Expenses	187,500	100,000
Accounts payable, accrued expenses and other liabilities	1,636,994	777,572
Net lease assets	(660)	(334)
Net cash provided by / (used in) operating activities	**(44,085)**	**130,842**
Cash flow from investing activities		
Net cash provided by / (used in) investing activities	**-**	**-**
Cash flow from financing activities		
Net cash provided by / (used in) financing activities	**-**	**-**
Increase (decrease) in cash and cash equivalents	(44,085)	130,842
Cash and cash equivalents, beginning of period	**403,873**	**273,031**
Cash and cash equivalents, end of period	**$ 359,787**	**$ 403,873**
Interest paid	$ -	$ -
Taxes paid	$ -	$ -

(See accountant's review report and accompanying notes to financial statements)

MOTIVITY LABS INC.
STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Common stock and paid-in capital		
Balance, beginning of period	$ 103,374	$ 103,374
Balance, end of period	**103,374**	**103,374**
Retained earnings		
Balance, beginning of period	2,647,018	1,468,778
Net Income	891,890	1,178,241
Balance, end of period	**3,538,908**	**2,647,018**
Total Stockholder's equity	**$ 3,642,282**	**$ 2,750,392**

(See accountant's review report and accompanying notes to financial statements)

Note 1- Summary of significant accounting policies

Nature of Operations – Motivity Labs Inc. was incorporated as a Texas Corporation in March 2009, is engaged in providing software development and consulting services to various industries throughout the United States.

Numerous factors affect the Company's operating results, including general economic conditions, market acceptance and demand for its consulting services, its ability to obtain new clients, and rapidly changing technologies and competition. The Company’s customer base covers a broad spectrum of industries including, Engineering, Financials, Information technologies, Manufacturing, Telecommunication among others.

Accounting Policies – These financial statements are prepared on the accrual basis of accounting in conformity with accounting principles generally accepting in the United States of America (“GAAP”); consequently, revenues are accepted when services are rendered and expenses reflected when costs are incurred.

Concentration of Credit Risk - The Company maintains cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. With respect to trade receivables, the Company generally does not require collateral because of the common business practice prevailing in the industry and also that majority of the Company's customers are fairly well established companies operating in a variety of industries and geographic regions. When necessary, the Company establishes an allowance for doubtful accounts based upon factors surrounding the credit risk of specific customers, historical trends and other information.

Use of Estimates - The Company's management makes estimates and assumptions in the preparation of its financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from those results implicit in the estimates and assumption.

Cash and cash equivalents – Cash and cash equivalents consist of demand deposits. The Company considers all highly liquid investments purchased with a remaining maturity principally of three months or less to be cash equivalents.

The Company maintains its cash in a bank deposit account that, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

Financial Instruments - The Company's financial instruments including cash and cash equivalents, accrued expenses, accounts receivable, accounts payable and lines of credit debt, all of which approximate fair value at the balance sheet dates.

Accounts receivable – Accounts receivable are generated from various commercial entities. Accounts receivable are stated at cost less an allowance for doubtful accounts if considered necessary. Credit is extended to customers after an evaluation of the customer’s financial condition, and generally collateral is not required. Management’s determination of the allowance for doubtful accounts is based on an evaluation of the accounts receivable, past experience, current economic conditions and other risks inherent in the accounts receivable portfolio.

Allowance for Doubtful Accounts - The allowance for doubtful accounts reflects the Company's best estimate of probable losses inherent in the accounts receivable balance. We determine the allowance based on known troubled accounts, historical experience, and other currently available evidence. Allowance for Doubtful accounts as on December 31, 2023 and September 30, 2023 was zero.

Revenue Recognition – In May 2014, the FASB issued an update to ASC 606, Revenue from Contracts with Customers, further amended in July 2015. This update to ASC 606 provides a five-step process to determine when and how revenue is recognized. The core principle of the guidance is that a Company should recognize revenue upon transfer of promised goods or services to customers in an amount that reflects the expected consideration to be received in exchange for those goods or services. This update to ASC 606 will also result in enhanced disclosures about revenue, providing guidance for transactions that were not previously addressed comprehensively, and improving guidance for multiple-element arrangements. Effective January 01, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers, using the modified retrospective method. The adoption allows companies to apply the new revenue standard to reporting periods beginning in the year the standard is first implemented, while prior periods continue to be reported in accordance with previous accounting guidance. Since the adoption of Accounting Standards Codification ("ASC") 606 did not have a significant impact on the recognition of revenue, the Company did not have an opening retained earnings adjustment.

The Company generates most of its revenues from Technology Staffing, and IT Services. Comprehensive revenue recognition model is designed to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenues are recognized as control of the promised service is transferred to customers, in an amount that reflects the consideration expected in exchange for the services. Revenues from contract assignments are recognized over time, based on hours worked by the Company's contract professionals. The performance of the requested service over time is the single performance obligation for assignment revenues. Revenues are recognized net of variable consideration to the extent that it is probable that a significant reversal of revenues will not occur in subsequent periods.

The Company recognizes most of its revenue on a gross basis when it acts as a principal in its transactions. The Company has direct contractual relationships with its customers, bears the risks and rewards of its arrangements, has the discretion to select the contract professionals and establish the price for the services to be provided. The Company primarily provides services through its employees and through subcontractors; the related costs are included in cost of sales. The Company includes billable expenses (out-of-pocket reimbursable expenses) in revenue and the associated expenses are included in cost of sales. Maintenance revenues, if any, are recognized ratably over the term of the underlying maintenance agreement.

Cost of Revenues – are classified as cost of sales on the income statement and consist primarily of employee costs and sub-contractors' costs, and other costs incurred in connection with the execution of projects.

Unbilled Revenues – represents services rendered prior to being invoiced due to certain contractual restrictions. The Unbilled revenue as on December 31, 2023 and September 30, 2023 was $ 1,250,000 and $ 3,425,000 respectively and is included under Accounts Receivable in the Balance sheet.

Property and equipment – Property and equipment, consisting of computers, furniture, vehicle and equipment, are stated at cost. Improvements which substantially increase the useful lives of assets are capitalized. Maintenance and repairs are expensed as incurred. Upon retirement or disposal, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss is recorded. Depreciation on all property and equipment is calculated using the straight-line method over the estimated useful lives of the assets which range from three to five years. Depreciation expense for the three months ended December 31, 2023 and September 30, 2023 was zero.

Investment – The Company has characterized its investments in marketable securities, based on the priority of the inputs used to value the investments, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), and lowest priority to unobservable inputs (Level 3). If the inputs used to measure the investments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying balance sheets are categorized based on the inputs to valuation techniques as follows:
Level 1 – These are investments where values are based on unadjusted quoted prices for identical asset in an active market the Company has the ability to access.
Level 2 – These are investments where values are based on quoted market prices that are not active or model derived valuations in which all significant inputs are observable in active markets.
Level 3 – These are investments where values are derived from techniques in which one or more significant inputs are unobservable.

December 31, 2023 and September 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Dallas venture capital			$ 200,000	$ 200,000
Intelligent Golk Holdings			100,000	100,000
Teledentistry	-	-	250,000	250,000

Income Taxes – The Company is taxed as a "C" corporation and as such accounts for income taxes pursuant to the provisions of Statement of Financial Statement Accounting Standards No. 109 "Accounting for Income Taxes." Under SFAS No. 109, deferred tax liabilities and assets are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their tax bases. Any deferred tax assets recognized for net operating loss carry-forwards and other items are reduced by a valuation allowance when it is more likely than not that the benefits may not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected. The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes. There are no material deferred tax assets or liabilities as of December 31, 2023 and September 30, 2023, as there are no material timing differences.

Impairment of Assets - The Company assesses at each balance sheet date whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its recoverable amount and the amount of such impairment loss is charged to Income statement. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to that effect.

Leases
When the company is the lessee, all leases with a term of more than 12 months are recognized as right-of-use (ROU) assets and associated lease liabilities in the Balance Sheet. The lease liabilities are determined using the present value of the lease payments not yet paid and the company's incremental borrowing rate, which approximates the rate at which the company would borrow on a secured basis in the country where the lease was executed. The interest rate implicit in the lease is generally not determinable in transactions where the company is the lessee. The ROU asset equals the lease liability adjusted for any initial direct costs (IDCs), prepaid rent and lease incentives. Operating leases are included in operating right-of-use assets–net and lease liabilities in the Balance Sheet. The lease term includes options to extend or terminate the lease when it is reasonably certain that the company will exercise that option.

Note 2 – Advertising Costs

The Company expenses advertising costs in the period incurred. The Company did not incur any advertising and business promotion expenses for the three months ended December 31, 2023 and September 30, 2023 was zero.

Note 3 – Cash and Cash equivalents

As of December 31, 2023 and September 30, 2023, the Cash and cash equivalents was $ 359,787 and $ 403,873 respectively.

Note 4 – Property and equipment

	As at December 31, 2023	**As at September 30, 2023**
Computer equipment and software		
Furniture & Fixtures	$ 16,242	$ 16,242
Vehicle		
Other fixed assets	22,809	22,809
Total assets	**39,052**	**39,052**
Less: Accumulated depreciation	(39,052)	(39,052)
Property and Equipment, net	**$ -**	**$ -**

The depreciation expense for the three months ended December 31, 2023 and September 30, 2023 was zero.

Note 5 – Commitments and Contingencies

Operating Lease:
The Company adopted ASC 842 with effect from February 1, 2023. Lease assets and liabilities are determined predominantly as the present value of the payments due over the lease term. All leases are recognized as lease liabilities and lease assets on the balance sheet. Lease liabilities represent obligation to make payments arising from the lease. Lease assets represent right to use an underlying asset for the lease term.

Information related to operating lease cost are as follows:

	2023
Operating lease cost	$ 27,248
Right of use asset	68,204
Lease liabilities	72,567
Weighted average remaining lease term	8 months
Weighted average discount rate	5%

The following table presents undiscounted cash outflows for operating leases on annual basis for next five years and thereafter.

	As of December 31, 2023	**As of September 30, 2023**
Less than one year	$ 73,633	$ 100,881
Total	**$ 73,633**	**$ 100,881**

Security deposit related to lease for office premises as on December 31, 2023 and September 30, 2023 was $ 5,822 respectively.

Note 6 – Line of Credit

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as “Borrowers”), have secured $ 3,500,000 Line of credit with Patriot Bank. The revolving loan facility was utilized to refinance existing indebtedness of Borrowers with City National Bank and for working capital and general corporate purposes. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The Interest on Revolving loan facility shall bear interest on the outstanding principal amount at the base rate, which is greater of prime rate as quoted by The Wall Street Journal plus 0.4% and 3.65% per annum. The line of credit matures on December 31, 2023. The balance outstanding as of December 31, 2023 and September 30, 2023 was $ 2,383,595 and $ 2,384,179 respectively. The Interest expense for three months ended December 31, 2023 and September 30, 2023 was $ 54,240 and $ 53,830 respectively. The loan and interest paid/accrued on the loan has been accounted in JNIT technologies Inc.

Note 7 – Term Loan

On March 29, 2022, JNIT Technologies Inc, Motivity Labs Inc and RPR WYATT Inc (Collectively referred to as "Borrowers") entered into an agreement with Patriot Bank (referred to as "Lender") and obtained a term loan for $ 1,500,000 at the interest rate of 3.81%. The term loan was utilized for repayment of existing indebtedness incurred for acquisition of Motivity Labs Inc. The term loan is repayable in sixty consecutive monthly installments of principal and interest in the amount of $ 27,494.06 each commencing from May 1, 2022. Each borrower is jointly and severally liable and has provided absolute and unconditional guarantee to Lender for prompt payment and performance of all obligations. The borrowers have granted lien to all assets as collateral security for the payment and performance of all the obligations. The financial Covenants pertaining to the term loan are as follows:

a. Commencing with fiscal year ended December 31, 2022 maintain a combined debt service coverage ratio equal to or greater than 1.25 to 1 on an annual basis, determined as of each fiscal year end and
b. Commencing with fiscal year ended December 31, 2022 maintain a debt to capital ratio equal to less than 0.75 to 1 on an annual basis, determined as of each fiscal year end.

The balance outstanding as of December 31, 2023 and September 30, 2023 was $ 1,036,890 and $ 1,109,129 respectively. Interest expense for three months ended December 31, 2023 and September 30, 2023 was $ 10,243 and $ 1,800 respectively.

The repayment term for the outstanding loan is as follows:

	As of December 31, 2023	**As of September 30, 2023**
Within one year	$ 295,797	$ 293,000
1-2 years	307,255	304,350
2-3 years	319,157	316,139
3-4 years	114,681	195,641
4-5 years	-	-
More than 5 years	-	-
Total	**$ 1,036,890**	**$ 1,109,129**

The loan and interest paid/accrued on the loan has been accounted in JNIT technologies Inc.

Note 8 – Income Taxes

The Company has elected to be taxed as a "C" corporation under the provisions of the Internal Revenue Code and applicable state statutes.

The components of provision for taxes are as follows:

	Quarter ended December 31, 2023	**Quarter ended September 30, 2023**
Federal Income tax	$ 560,665	$ 32,275
State tax	232,159	-
Income tax expenses	**792,824**	**32,275**
Prior period taxes	(481,488)	-
Total Income tax expenses	**$ 311,336**	**$ 32,275**

Uncertain tax positions: As of the report date, the Company does not have any uncertain tax liabilities or benefits that could materially affect the effective tax rate. The tax years 2022, 2021, 2020, were open as of the report date. Management regularly assesses the tax risk of the Company's return filing positions for all open years.

Note 9 – Litigation and Contingencies

The Company does not have any knowledge of any involvement in legal proceedings, either of which the company has initiated or has been brought against it. The company's liability, if any, have been reported on the balance sheet and have no knowledge of any further liabilities or contingencies.

Note 10 – Stockholder's Equity

The common stocks issued and outstanding were owned by the following share holder:

	December 31, 2023	**September 30, 2023**
Balance, beginning of the period	$ 103,374	$ 103,374
Balance, end of the period	**$ 103,374**	**$ 103,374**

The entire issued capital of Motivity Labs Inc was held by JNIT technologies Inc.

Note 11 – Related party transactions

In the ordinary course of business, the Company entered into transactions with entities owned directly/indirectly by the stockholder. All the amount is non-interest bearing and is repayable/recoverable on demand.

The Balances as of December 31, 2023 are as follows:

Related Party	**Expenses**	**Accounts receivable**	**Accounts payable**	**Loan received**	**Advance Given**	**Rights/Pre paid**
JNIT Technologies Inc.	-	-	-	$ 1,619,000	-	-

The Balances as of September 30, 2023 are as follows:

Related Party	Expenses	Accounts receivable	Accounts payable	Loan received	Advance Given	Rights/Pre paid
JNIT Technologies Inc.	-	-	-	$ 2,317,000	-	-

Note 12– EIDL

The Company had obtained loan from U.S. Small Business Administration under section 7(b) of the Small Business Act during calendar year 2020. The details pertaining to EIDL are as follows:

Entity	Date of Grant	Amount	Terms and Conditions
Motivity Labs Inc	January 12, 2022	$ 2,000,000	• Installment payment (including principal and interest) of $ 10,298 will begin 24 months from date of the promissory note • The balance of principal and interest will be payable in thirty years from the date of the promissory note • Interest will accrue at the rate of 3.75% per annum based on funds advanced. • The entity's assets will be given as collateral.

Interest accrued for EIDL for three months ended December 31, 2023 and September 30, 2023 was $ 18,750 respectively.

Note 13 – Retirement Benefits

The Company adopted a Flexible 401(k)-profit sharing plan for its employee. There is an age and service period requirement for elective deferral eligibility. The employees are eligible to become participants following one year of employment, with at least 500 hours of service and should have attained a minimum of 21 years of age. The company can make matching contributions, based on its sole discretion as determined year to year. The company did not make any contributions during the three months ended December 31, 2023 and September 30, 2023.

Note 14 – Segment Revenues

The Company's operations comprise only of consulting services and the financial statements reflect the performance for the segment as such.

Note 15 – Subsequent Events

The Company has evaluated subsequent events through February 12, 2024, the date on which the financial statements were available to be issued. The company does not have any other reportable events occurring after the balance sheet date.

Impact of COVID-19 Pandemic: The COVID-19 outbreak in early 2020 had adversely affected the economic activity globally, nationally and locally. However, this has been a thing of the past due to which there has been no specific impact in the year ended 2023, although the recurrence of such an event may impact the business and profitability.

The Management is not aware of any other matter or circumstance, other than those which are disclosed above or not otherwise dealt with in the Financial Statements that has significantly or may significantly affect the operations of the company in the subsequent years the financial effects of which has not been provided for as of the December 31, 2023 and September 30, 2023.

Note 16 – Risks and Uncertainties of Doing Business

In addition to the Impact of COVID-19 pandemic discussed in the previous note, many of the Company's engagements involve projects that are critical to the operations of its customers' businesses and provide benefits that may be difficult to quantify. Any failure
in a customer's system could result in a claim for substantial damages against the Company, regardless of the Company's responsibility for such failure. Although the Company attempts to limit contractually its liability for damages arising from errors, mistakes or omissions in rendering its information technology services, there can be no assurance that the limitations of liability set forth in its services contracts will be enforceable in all instances or would otherwise protect the Company from liability for damages. The successful assertion of one or more large claims against the Company that exceed available insurance coverage, or changes in the Company's insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect the Company's business, financial condition and results of operations.

Note 17– Comparative statements

Certain comparative figures have been reclassified as needed to confirm to current period's presentation.

MOTIVITY LABS INC.
SUPPLEMENTARY SCHEDULES
FOR THE THREE MONTHS ENDED DECEMBER 31, 2023 AND SEPTEMBER 30, 2023

	Dec 31, 2023	Sep 30, 2023
Cost of sales		
Payroll and Benefits	$ 1,758,914	$ 1,738,759
Subcontractors expenses	1,671,392	1,442,228
Travel expense	803	1,128
Cost of Services Revenue	3,350,500	1,405,200
Offshore expenses	138,285	86,114
Total cost of sales	**$ 6,919,894**	**$ 4,673,429**
General & Administrative expenses		
Automobile Expense	$ 332	$ -
Bank service charges	1,007	792
Dues and Subscriptions	14,484	1,770
Insurance	79,430	104,197
Legal and Professional Fees	23,620	3,990
Office expenses	44,904	27,918
Outside services	94,350	80,731
Rent Expenses	1,532	532
Taxes and License	54,866	-
Telephone	534	540
Travel	25,015	-
Total general & administrative expenses	**$ 340,076**	**$ 220,471**