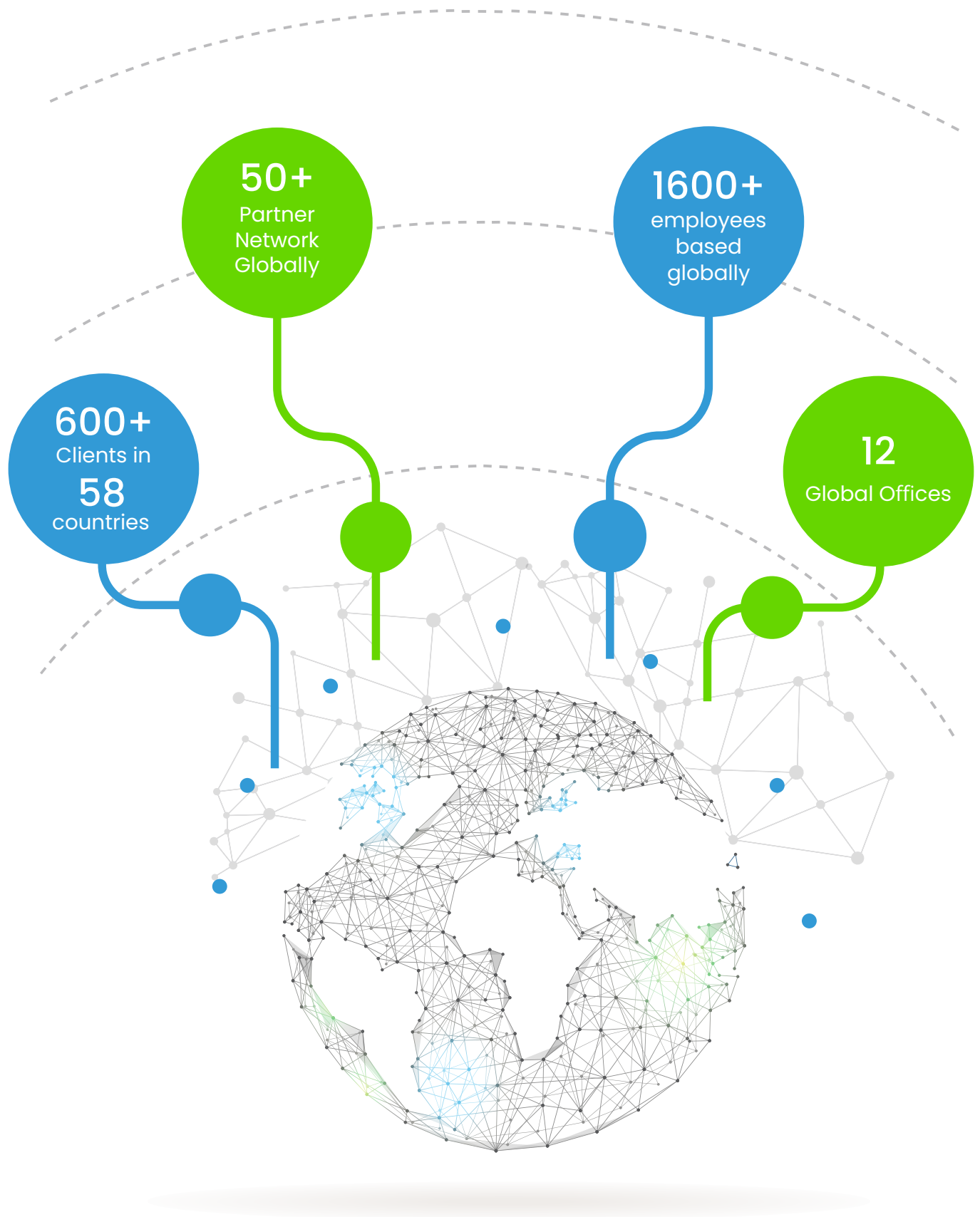




29TH | Annual Report 2023-2024

Infrasoft Technologies Limited

At a glance



Global Presence



Offices:

Mumbai, Pune, Chennai, London, Jersey, Dubai, Bahrain, Riyadh, Singapore, Manila, Calgary, New Jersey

Corporate Office:

Infrasoft Technologies Limited

7th Floor, Building 09, Gigaplex, Airoli West, Navi Mumbai - 400 708, Maharashtra, India.

 www.Kiya.ai

Follow us on

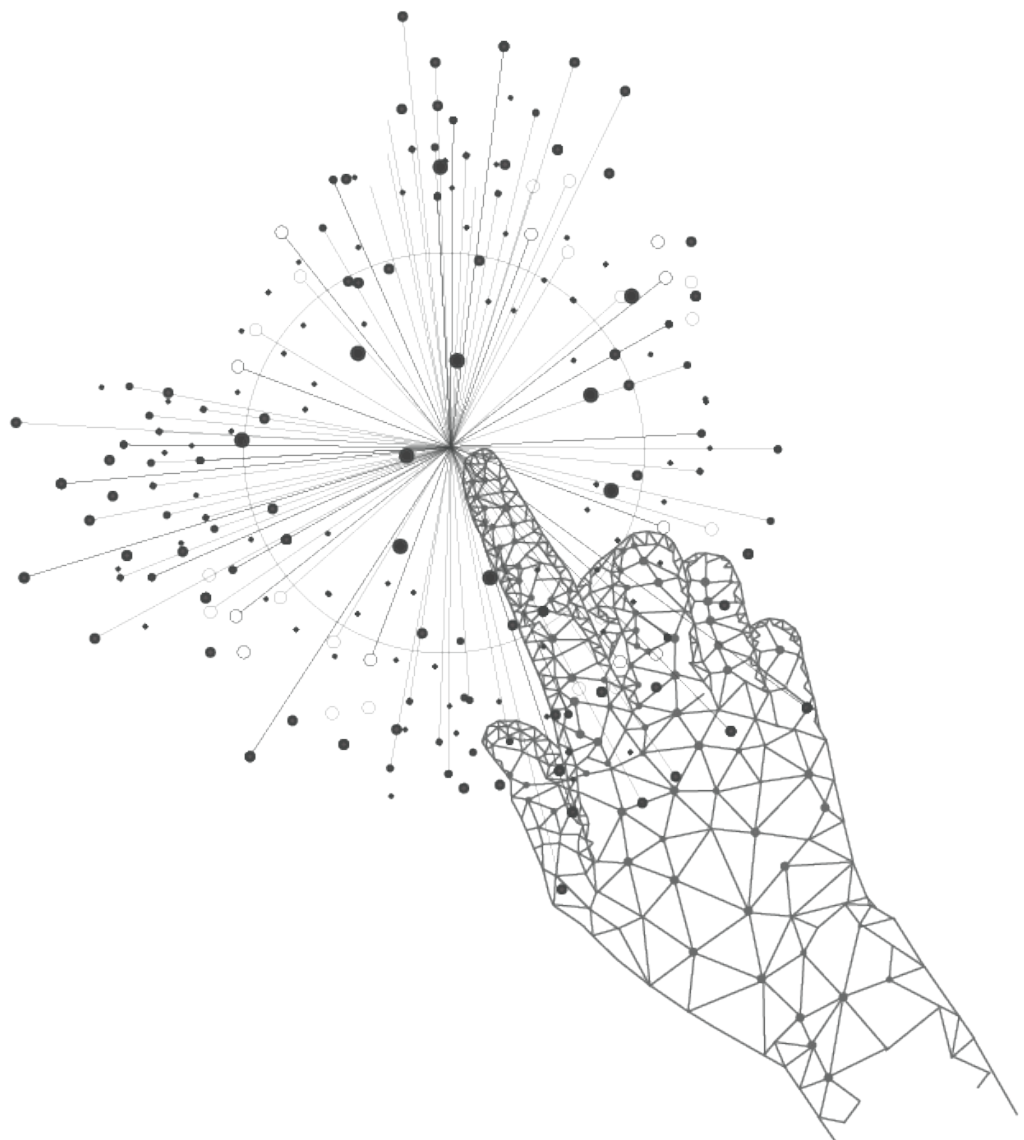
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About Us

KiyaAI is one of the most innovative digital solutions providers serving financial institutions and governments globally. It is known for its deep domain expertise in Financial Services, Digital Payments, Governance, Risk, and Compliance solutions along with market-ready processes. KiyaAI helps businesses transform through its range of advanced digital solutions and new-age technologies, such as Multi-experience & Omnichannel Banking, Artificial Intelligence, Intelligent Automation, and Data Analytics. Its Metaverse platform: Kiyaverse, is a simulated digital environment that functions with AR & VR and allows users to work, meet, socialise, and perform tasks together in the 3D spaces through avatar-based interactions.

With a global workforce, reliable partner network, and operations in over 50 countries, we help more than 600+ clients in their digital transformation journey and create sustainable value for the community. We are assessed at CMMI Level 5 v2.0, and we adopt global best practices in our solutions and services delivery.



Dear Shareholders,

Your Directors' hereby present the 29th Annual Report of the Company along with audited accounts for the year ended 31st March 2024.

1. Financial Highlights

During the year, the net revenue from operations of your Company decreased by 5.8%, from Rs. 4,093.46 million to Rs. 3,855.92 million due to lower execution on projects. The contribution of the Digital and Product business is at 70% of the total operational revenue of Rs. 3,855.92 million.

| Particulars | Amount in ₹ million | | | |
|---|---------------------|----------|-----------------|----------|
| | Standalone | | Consolidated | |
| | 2023-24 | 2022-23 | 2023-24 | 2022-23 |
| Income (Including other income) | 3,112.16 | 3,370.14 | 3,875.84 | 4,120.69 |
| (-) Expenses (Including exceptional items) | 2,874.37 | 2,602.25 | 3,602.64 | 3,267.17 |
| Profit before Interest, Depreciation and Tax (PBIDTA) | 237.79 | 767.89 | 273.20 | 853.52 |
| (-) Depreciation & Amortization | 138.70 | 113.39 | 153.56 | 125.23 |
| Net Profit Before Tax | 99.09 | 654.50 | 119.64 | 728.29 |
| (-) Provision for Tax including Deferred Tax | 8.30 | 156.79 | 33.06 | 186.25 |
| Net Profit after Tax | 90.79 | 497.71 | 86.58 | 542.04 |
| EPS | | | | |
| Basic (₹ Per Share) | 11.88 | 63.22 | 11.33 | 74.71 |
| Diluted (₹ per Share) | 11.88 | 63.12 | 11.33 | 74.61 |

On consolidated basis, for FY 2023-2024 your Company's total income stood at ₹ **3,875.84** million and PBIDTA ₹ **273.20** million as compared to ₹ 4120.69 million and PBIDTA ₹ 853.51 million for FY 2022-2023 respectively.

2. Trends in the Market

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

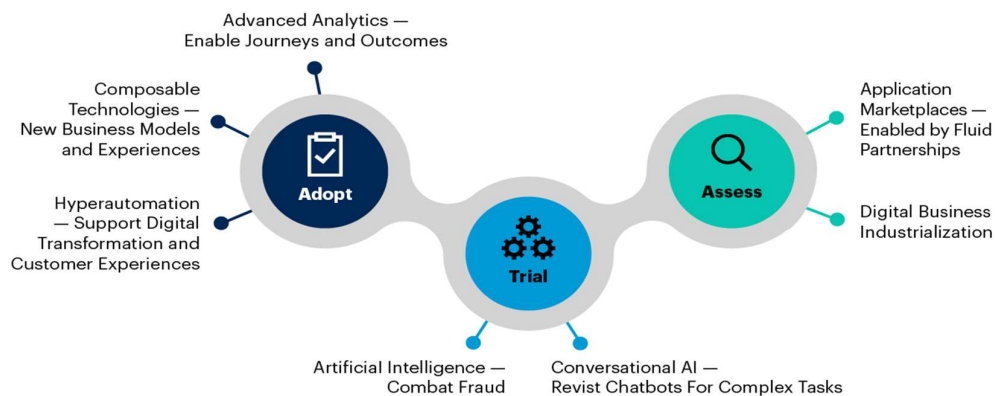
- **Generative AI** – Generative AI (GenAI) is emerging as a transformative trend in banking due to its ability to significantly enhance operational efficiencies and improve decision-making processes. By leveraging advanced models, banks can automate tasks like fraud detection, credit decisioning, and customer support, leading to faster and more accurate outcomes. Additionally, GenAI's capacity to generate synthetic data, create personalized marketing content, and streamline complex workflows enables banks to offer tailored services and innovative products, thereby improving customer experience and driving competitive advantage in an increasingly digital financial landscape.

- **Explainable AI** – Explainable AI (XAI) involves making AI systems more transparent and understandable by elucidating how they arrive at decisions, revealing their strengths, weaknesses, and potential biases. This is becoming an essential trend in the banking industry due to increasing regulatory demands for transparency and accountability in AI-driven decision-making processes. Banks are adopting XAI to manage risks, build trust with customers, and comply with regulations, ensuring that their AI models are not only accurate but also fair and interpretable. This trend is crucial as it helps banks mitigate reputational risks and foster ethical AI practices.
- **API Management to enable Open Finance** - API management for enabling Open Finance is an emerging technology trend in banking due to its role in facilitating secure and standardized data exchange across diverse financial platforms. By implementing robust API management solutions, banks can efficiently expose and manage APIs, ensuring scalability, security, and performance for third-party integration. This enables seamless interoperability and data flow between different financial institutions and fintechs, paving the way for innovative financial services and enhanced customer experiences. Additionally, API management supports compliance with regulatory frameworks like PSD2, which mandates secure access to customer data, thereby fostering a more transparent and competitive financial ecosystem.
- **Banking in Metaverse** - financial institutions explore virtual environments to enhance customer engagement and service delivery. This innovative approach enables immersive financial interactions, offering virtual branches for personalized consultations, and leveraging virtual reality to create unique, user-centric banking experiences. By integrating services into the metaverse, banks are positioning themselves to meet the needs of a tech-savvy, digital-first clientele, and opening new avenues for financial inclusion and digital asset management.
- **Banking as a Service (BaaS)** - emerging trend in the financial sector that enables non-banking companies to integrate banking services into their own products and platforms via APIs. This model allows businesses to offer financial services like payments, loans, and account management, without needing to become a bank themselves. By leveraging BaaS, companies can enhance their value propositions, create seamless customer experiences, and foster innovation, while traditional banks can expand their reach and revenue streams by partnering with diverse industries.
- **Composable Technologies** - transforming the banking industry by enabling the modular and flexible assembly of technology components to rapidly create and deploy new banking services. This trend allows banks to respond quickly to market changes and customer demands by combining and reconfiguring various tech modules, such as APIs, microservices, and cloud infrastructure. By adopting composable technologies, banks can achieve greater agility, reduce time-to-market for new products, and enhance their ability to innovate in a highly competitive landscape.
- **Low code/No code** - These platforms empower business users to build and iterate applications quickly, reducing reliance on traditional development cycles and allowing banks to respond swiftly to market changes and customer needs. This approach enhances agility, enabling financial institutions to streamline operations and integrate new functionalities seamlessly into legacy systems. Additionally, Low Code/No Code solutions facilitate compliance and customization, allowing banks to adapt applications to regulatory changes and specific business requirements with minimal resource investment.
- **Internet of Things** - The Internet of Things (IoT) refers to a collection of technologies linked to devices that communicate with each other, systems, and software, sharing data via the internet or other networks. The strategic focus in IoT is shifting from platforms to IoT-enabled applications,

necessitating packaged application-centric business solutions to deliver value. IoT-powered business solutions encompass assets, IT and OT systems, communications, applications, data, analytics, and AI. Companies leverage IoT solutions to create new revenue streams and optimize their operational models.

- **Hyper-automation** - Business-driven hyper-automation is a structured method that organizations employ to swiftly identify, evaluate, and automate numerous business and IT processes. This approach leverages a range of technologies, tools, and platforms to achieve business outcomes. These technologies include AI, machine learning, event-driven software architecture, robotic process automation, integration platforms, packaged software, and various process/task automation tools. The goal is to digitalize suitable processes, revolutionizing work by integrating data, streamlining communication, and extracting valuable insights. As the ability to automate data collection on customers, suppliers, employees, and regulators improves, interest in decision intelligence and automation is rising.

Top Retail Banking Technology Trends in 2023



Source: Gartner
788786_C

Gartner

- **Adopt:**
 - Advanced Analytics - Allow Products and Services to Become Journeys and Outcomes
 - Composable Technologies - Will Drive New Business Models and Customer Experiences
 - Hyper automation - Expands Beyond the Back Offices to Support Digital Transformation and Customer Experiences
- **Trial:**
 - Incorporate AI Methods, Including Computer Vision and Intelligent Applications, to Combat Increasing Fraud
 - Revisit Conversational AI and Chatbots for Complex Tasks
- **Assess:**
 - Banks Adopt Fluid and Dynamic Partnerships Through Application Marketplaces Retail Banking Moves to Digital Business Industrialization

3. Offerings

Your company's business has gradually become more product-driven, and the company is actively investing in growing its cloud-based revenues and annuity revenues. Below is a breakdown of the different products and services business unit:

- **AI-Based Omnichannel & Open Finance Solutions**
 - Omnichannel Banking solutions
 - Mobile, consumer & merchant payment solutions
 - Chatbots & Voice Commerce
 - Direct banking through Open Banking APIs
- **Digital Core Banking Solutions**
 - Core Banking with CASA and Trade Finance & Treasury
 - Cloud based CBS offered as SaaS
 - Lending Solution for Banks & NBFCs
 - Microfinance Solution
- **Universal Reg-Tech Solutions**
 - Financial Surveillance Solution including Anti-Money Laundering & Anti-Fraud Solutions help to comply with regulations & vigilance requirements.
 - FATCA / CRS reporting, BEPS and GDPR solutions to help clients comply with global regulations
 - ESG Solution to calculate all TCFD metrics, GHG Carbon Footprint, Scope 3 category 15 finance submission
- **Digital Engineering & Analytics**
 - Application Modernisation with SOA enablement, portals & mobility
 - Digital solutions based on RPA, AI & Machine Learning, Bots, Big data, Mobility, etc.
 - Analytics services include product, customer, risk and performance analytics
- **Metaverse & AR/VR Solution - Kiyaverse (Global Roll-out); Bharatmeta (Domestic Roll-out)**
 - Extended Reality & Edge Computing
 - Digital Assets including Avatar & Rewards
 - Virtual Humanoid based Chat with RM
 - 3D visualization of products
 - CBDC, Tokens & NFT based Transactions

4. Marketing and Relationship Initiatives and Market Share Improvements

This year, our Metaverse Business Unit has achieved significant milestones with multiple project wins. Notable successes include partnerships with the Shri Mata Vaishno Devi Shrine (SMVDS), Shri Kashi Vishwanath Temple Shrine (SKVTS), and Amalgamated Banks of South Africa (ABSA), which are set to enhance our presence in the public space. Additionally, we have secured pivotal projects with Punjab National Bank, ONGC and Bank of Maharashtra, marking a substantial expansion in our banking and public sector engagements. These strategic victories are poised to significantly bolster our outreach and visibility.

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

| S. No. | Event Name | Organizer | Date | Location |
|--------|--|---|----------------|--------------------|
| 1 | Digital Banking Summit | IBSI - Cedar | 12 April 2023 | Mumbai |
| 2 | NextGen Banking & Technology Summit | IBSI - Cedar | 24 May 2023 | Bahrain |
| 3 | Annual Financial Crime Summit | FERG | 18 May 2023 | Dubai |
| 4 | Rural Bankers Association of the Philippines National Convention | RBAP | 7-8 June 2023 | Pampanga |
| 5 | NextGen Core Banking Summit | IBSI - Cedar | 16 June 2023 | London |
| 6 | Digital Payments & Lending Summit | IBSI - Cedar | 07 Sept 2023 | Dubai |
| 7 | Global Fintech Festival | IAMAI | 5-7 Sept 2023 | Mumbai |
| 8 | Chamber of Thrift Banks Annual Convention | Chamber of Thrift Banks – Philippines | 22 Sept 2023 | Dusit Thani Manila |
| 9 | Smart Banking Summit | Vietnam Banking Association & IEC | 06 Oct 2023 | Hanoi |
| 10 | Singapore Fintech Festival | Constellar | 15-17 Nov 2023 | Singapore |
| 11 | CONNECT - Future Ready Leaders | ENQUBE Collaborations | 25 Jan 2024 | Mumbai |
| 12 | Maharashtra State Urban Co-operative Banks Conference 2023-24 | Sahakar Parishad – Nashik | 27 Jan 2024 | Nashik |
| 12 | India Energy Week | Ministry of Petroleum and Natural Gas Govt of India | 2-6 Feb 2024 | Goa |

Over the last year, our marketing initiatives have significantly bolstered our brand presence and market standing. Among the key highlights:

- **Industry Events Presence:** Strengthened our global presence through strategic participation in national and international industry events, enhancing visibility and networking opportunities.
- **Media & PR Success:** Secured favourable global media coverage and engaged in joint PR efforts with clients & partners (Arab Financial Services (AFS) & Country Builders Bank (CBB), fostering positive brand recognition through social media mentions (India Energy Week, ONGC & SMVD Metaverse Initiatives and visibility through various event organisations with mentions and tags – major eyeballs through - Viva Tech, Paris & G20 DIA Summit) and news media direct interactions.
- **Industry Awards and Recognitions:** Received notable accolades for brand success stories, product innovations, and sales achievements, reaffirming our commitment to excellence and market leadership.
- **Content Marketing Enhancements:** Implemented focused efforts to enhance our content marketing strategy, including the development of improved collaterals, compelling client case studies, strategic blogs, and the introduction of new content properties, aimed at reinforcing our brand narrative and engaging our target audience effectively. Additionally, significantly increased our efforts towards

improving organic search through SEO, optimizing website content, meta tags, and backend structure to enhance visibility and drive traffic from search engines.

Gartner Relationship Management:

A. Areas of focus with Analysts:

- Core Banking Solutions
- Digital Banking Capabilities
- Digital Banking Transformation
- Use Cases: Generative AI
- Banking in the Metaverse
- Use Cases: Metaverse
- Understanding Zero Trust Networking and how to secure GenAI attacks
- Document Management System
- Blockchain for Digital Identity
- ESG- Kiya.ai
- Written Response: Stable Coins
- Video KYC: Corporate Customer/ SME Onboarding
- Marketing Strategy
- Website and Marketing Brochure Reviews
- Search Engine Optimization (SEO)

B. Secured Strong Relations with High Level Lead Analysts:

- Jeff Casey
- Vittorio D'Orazio
- Agustin Rubini
- Jasleen Kaur Sindhu
- Ali Merji
- Christophe Uzureau

Additionally,

Moving forward, our marketing initiatives will focus more on harnessing digital platforms to deepen our reach and engagement with our audience, alongside continued innovation in content strategies to deliver compelling narrative

5. Awards and Recognition

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

- **IBS Intelligence Sales League Table 2023 (SLT 2023)**
 - Ranked #1 **Global Compliance Management** - Kiya.ai Universal Regtech Solution for the fourth successive year
 - Ranked #1 India Domestic **SLT | Leader** for the sixth consecutive year
 - Ranked #1 **India Domestic SLT Special Award** - Kiya.ai Omnichannel and Open Finance Platform
 - Ranked #1 **Regional Leader | APAC**
 - Ranked #2 **Global Data Warehousing & Business Intelligence** - Kiya.ai Analytical Solution
 - Ranked #3 **Global Leadership | Product Breadth**

- Recognised as the **‘ET Edge Best Brands 2023’** at the 6th Edition of ET Now Best Brands Conclave 2023.
- **Five big wins at IBS Intelligence Global Fintech Innovation Awards 2023**
 - Best CRM System Implementation
 - Most Innovative Use of AI / ML
 - Most Innovative API / Open Banking Model
 - Most Innovative Cloud Deployment
 - Most Effective Compliance / RegTech Deployment
- Bharatmeta by Kiya.ai recognized as **‘Best Metaverse Development Enterprise of The Year’** at the W3 Global Awards hosted by Entrepreneur India, March 2024

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

Your Company has a policy on Prohibition / Prevention of Sexual Harassment of Women at workplace and matters connected therewith or incidental covering thereto all the aspects as contained in “The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act and Rules, 2013”. Your company is committed to provide and promote safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. During the year, the Company did not receive any complaints under the said Act. Your Company has not witnessed any incident of Sexual Harassment of Women during the financial year 2023-2024. Your Company has appointed a woman representative on the Panel and the said representative is qualified, neutral and eligible to be appointed as a member of the panel in compliance with the provisions of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act and Rules, 2013.

7. Amount carried to Reserves.

Pursuant to the provisions of clause (j) of sub-section (3) of Section 134 of the Companies Act, 2013, based on the financial results of the company during the financial year 2023-2024, the Board of Directors have not proposed transfer of any amount to Reserves.

8. Dividend

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

| (INR per share) | | |
|-----------------------|--------------|--------------|
| Particulars | FY 2023-2024 | FY 2022-2023 |
| Interim Dividend | 7.50 | 20.00 |
| Final Dividend | - | - |
| Total Dividend | 7.50 | 20.00 |

9. Board of Directors & Committees - Composition and Meetings

Ms. Rashmi Agarwal (DIN: 00067241) retires by rotation and being eligible seeks re-appointment.

A. Board of Directors

I. Composition

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

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

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

II. Details of Meetings

During the year under review, 4 (Four) meetings of Board of Directors were held, the details whereof are as under:

| Sr. No. | Date | No. of Directors Present |
|----------------|-------------|---------------------------------|
| 1. | 19.05.2023 | 5 (Five) |
| 2. | 11.09.2023 | 6 (Six) |
| 3. | 09.11.2023 | 6 (Six) |
| 4. | 06.03.2024 | 5 (Five) |

B. Audit Committee

I. Composition

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

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

II. Details of Meetings

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

| Sr. No. | Date of Meeting | Members Present |
|---------|-----------------|-----------------|
| 1 | 10.05.2023 | 2 (Two) |
| 2 | 11.09.2023 | 2 (Two) |
| 3 | 09.11.2023 | 3 (Three) |
| 4 | 06.03.2024 | 2 (Two) |

C. Nomination and Remuneration Committee

I. Composition

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

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

II. Details of Meetings

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

| Sr. No. | Date of Meeting | Members Present |
|---------|-----------------|-----------------|
| 1 | 24.02.2024 | 3 |

D. Corporate Social Responsibility Committee

I. Composition

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

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

During the year under review, 1 (One) Corporate Social Responsibility Committee meetings were held, the details whereof are as under:

| Sr. No. | Date of Meeting | Members Present |
|---------|-----------------|-----------------|
| 1 | 6.3.2024 | 3 (Three) |

10.Change in the nature of business, if any

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

11. Material changes and commitments:

There are no material changes affecting the financial position of the Company subsequent to the close of the FY 2023-2024 till the date of this report.

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

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

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

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

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

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

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

14. Details of Subsidiary and its financial positions:

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

15. Deposits and Fixed Deposits

Pursuant to the provisions of Section 73 (Chapter V Acceptance of Deposits by Companies) of the Companies Act, 2013, during the financial year under review, your Directors hereby confirm that your Company has not accepted any Deposits as per the Act read with the Companies (Acceptance of Deposits) Rules, 1975. Also, your Directors hereby confirm that your Company has not accepted any such Deposits in the previous years as well and hence no amount of Principal or Interest thereon is outstanding at the end of the Financial Year 2023-2024.

16. Statutory Auditors

Pursuant to the provisions of Section 139 (1) of the Companies Act, 2013, M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors at 24th Annual General Meeting for conducting Statutory Audit of the Company from the conclusion of that meeting till the conclusion of Annual General Meeting of the Company for FY 2023-2024. Your directors recommend re-appointment of M/s. BSR & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company for FY 2024-25 to FY 2028-29. Company has received consent cum eligibility letter from M/s. BSR & Co. LLP for such re-appointment as Statutory Auditor as per provisions of Section 141 of the Companies Act, 2013.

17. Internal Audit

Pursuant to provisions of Section 138 of the Companies Act, 2013, M/s. Borkar & Muzumdar, Chartered Accountants, Mumbai were appointed as Internal Auditors of the Company for the Financial Year 2023-2024.

18. Secretarial Audit

M/s. S. G. & Associates, Practising Company Secretaries had been appointed by the Board to conduct secretarial audit of the Company. The Secretarial Audit Report for the financial year ended March 31, 2024, forms part of this report as Annexure and confirms that the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances. The report is annexed as Annexure - Form MR 3 to this Report.

19. Auditors' Report

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

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

20.Share Capital

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

21.Stock Options

During the year under review your Company has not issued fresh ESOPs. The Status of the ESOPs issued by the Company as on March 31, 2024 are as follows:

| Particulars | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Outstanding at the beginning of the year | 96,500 | 96,500 |
| Granted | - | - |
| Exercised | - | - |
| Forfeited | - | - |
| Lapsed | - | - |
| Outstanding at the end of the year | 96,500 | 96,500 |
| Exercise at the end of the year | - | - |

The Complete disclosure is provided under Notes to Accounts annexed to the Auditors' Report.

22.Extract of the Annual Return-MGT-9

The extract of Annual Return as on March 31, 2024 is separately attached to the Directors Report as an Annexure 3 – MGT-9.

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

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

A) Conservation of energy:

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

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

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

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

(iii) the capital investment on energy conservation equipment;

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

B) Technology absorption:

- (i) the efforts made towards technology absorption; - *Not Applicable*
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; - *Not Applicable*
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - *Not Applicable*
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development - *Not Applicable*

C) Foreign exchange earnings and Outgo:

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

(₹ in million)

| Particulars | 2023-24 | 2022-23 |
|-------------------------------------|----------------|---------|
| Foreign Exchange Earnings | 2055.73 | 2184.85 |
| Foreign Exchange Expenditure | 77.90 | 225.31 |
| Net Foreign Exchange Earnings (NFE) | 1977.83 | 1959.54 |
| NFE/Earnings | 96.21% | 89.69% |

24. Corporate Social Responsibility (CSR)

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

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

During the year under review your Company contributed an amount of ₹ 11.65 million towards CSR activities in favour of two CSR Partners namely i.) *Janaseva Foundation (Rs. 6 million)* and ii.) *The Akshaya Patra Foundation (Rs. 5.65 million)*.

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

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

26.Particulars of contracts or arrangements with related parties:

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

27.Whistle Blower Policy

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

28.Risk management

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

29.Directors' Responsibility Statement

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

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

- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. *Not applicable*
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

30.Acknowledgements

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

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

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

For INFRAISOFT TECHNOLOGIES LIMITED

Rahul Bhasin
Chairman
(DIN 00236867)

Place: Mumbai
Date: July 24, 2024

31. Annexures

ANNEXURE NO. 1 TO DIRECTORS' REPORT AOC 1

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

₹ In million

| Sr No | Name of the Subsidiary | Reporting period | Reporting currency | Exchange rate | Capital (at historical rates) | Reserves | Total Assets | Total Liabilities | Investment | Turnover | Profit before tax | Provision for tax | Profit after tax | Proposed dividend % | Share holding % |
|-------|--|------------------|----------------------------|------------------|-------------------------------|----------|--------------|-------------------|------------|----------|-------------------|-------------------|------------------|---------------------|-----------------|
| 1 | Infrasoft Technologies Limited UK | April-March | GBP (Closing) (Avg.) | 105.15 104.07 | 11.26 | 40.94 | 69.48 | 13.82 | - | 125.87 | (12.68) | - | (12.68) | - | 100% |
| 2 | Infrasoft Technologies FZ LLC Dubai | April-March | USD (Closing) (Avg.) | 83.34 82.79 | 1.52 | 76.90 | 1,950.53 | 1,870.79 | - | 1,115.78 | (62.27) | 0.55 | (62.82) | - | 100% |
| 3 | Infrasoft Technologies Inc USA | April-March | USD (Closing) (Avg.) | 83.34 82.79 | 27.49 | 16.30 | 68.64 | 1.48 | - | 22.52 | 0.99 | (0.08) | 1.07 | - | 100% |
| 4 | Infrasoft Technologies Pte Limited Singapore | April-March | USD (Closing) (Avg.) | 83.34 82.79 | 17.53 | 50.35 | 229.43 | 146.27 | - | 208.94 | 5.99 | (0.81) | 6.80 | - | 100% |
| 5 | InfrasoftTech Canada Limited | April-March | CAD (Closing) (Avg.) | 61.52 61.41 | 0.01 | 45.96 | 64.51 | 18.54 | - | 146.37 | 50.57 | 11.65 | 38.93 | - | 100% |
| 6 | Infrasoft Technologies Jersey Limited Jersey | April-March | GBP (Closing) (Avg.) | 105.15 104.07 | 0.01 | 46.09 | 160.02 | 113.92 | - | 333.38 | (14.54) | - | (14.54) | - | 100% |
| 7 | Infrasoft Technologies SDN BHD Malaysia | April-March | MYR (Closing) (Avg.) | 17.63 17.78 | 1.01 | 10.28 | 12.82 | 1.13 | - | 4.40 | 0.94 | 0.11 | 0.84 | - | 100% |

**ANNEXURE NO. 2
TO DIRECTORS REPORT**

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the Financial Year ended March 31, 2024

**To,
The Members,
INFRAsoft TECHNOLOGIES LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INFRAsoft TECHNOLOGIES LIMITED** (hereinafter called 'the Company').

Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024; has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB);

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

To best of my understanding I am of the view that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

Having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- i. The Information Technology Act, 2000
- ii. The Special Economic Zone Act, 2005
- iii. Policy relating to Software Technology Parks of India and its regulations
- iv. The Export and Import Policy of India
- v. The Trade Marks Act, 1999

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were also carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven (7) days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were carried out unanimously by the members of the Board and the same were duly recorded in the minutes of the meeting of the Board of Directors.

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The Company has paid remuneration to Mr. Rajesh Mirjankar (Managing Director) in excess of limit stipulated under section 197 of the Companies Act 2013 during the financial year 2023-2024. The company proposes to seek members approval at the forthcoming General Meeting of the Company.

During the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction etc.
- (v) Foreign technical collaborations

This report is to be read with my letter of even date which is annexed as Annexure and form integral part of this report.

S.G. and Associates
Practicing Company Secretary

Place: Mumbai
Date: July 22, 2024

Sd/-
Suhas S. Ganpule
Proprietor
Membership No 12122
CP No. 5722
UDIN: A012122F000794805

Annexure to the Secretarial Audit Report of Infrasoftware Technologies Limited for financial year ended March 31, 2024

**To,
The Members,
INFRA SOFTWARE TECHNOLOGIES LIMITED**

My Report of even date is to be read along with this letter.

- 1) Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3) I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required I have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**S.G. and Associates
Practicing Company Secretary**

Place: Mumbai
Date: July 22, 2024

Sd/-
Suhas S. Ganpule
Proprietor
Membership No 12122
CP No. 5722
UDIN: UDIN: A012122F000794805

ANNEXURE NO. 3
TO DIRECTORS' REPORT
Form No. MGT-9

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sr. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|----------------|---|--|---|
| 1 | Sale of Customized Software Product | 62011 & 62013 | 70% |
| 2 | Sale of Software Services | 62011 & 62013 | 30% |

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

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

I. Category-wise Share Holding

| Statement Showing Shareholding Pattern | | | | | | | | | | |
|--|--------------------------------|---|----------|--------------|---------|---|----------|--------------|---------|----------|
| | | No. of Shares held at the beginning of the year: 01/04/2023 | | | | No. of Shares held at the end of the year: 31/03/2024 | | | | |
| | Category of Shareholder | Demat | Physical | Total Shares | Total % | Demat | Physical | Total Shares | Total % | % Change |
| (A) Shareholding of Promoter and Promoter Group | | | | | | | | | | |
| Indian | | | | | | | | | | |
| (a) | Individual / HUF | 30,32,907 | 0 | 30,32,907 | 39.69 | 30,32,907 | 0 | 30,32,907 | 39.69 | 0.00 |
| (b) | Central / State government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Group Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) | Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (iii) | Directors' Relatives | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (A)(1): | 30,32,907 | 0 | 30,32,907 | 39.69 | 30,32,907 | 0 | 30,32,907 | 39.69 | 0.00 |
| Foreign | | | | | | | | | | |
| (a) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Individual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Institutions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Any others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (A)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (A)=(A)(1) + (A)(2) | 30,32,907 | 0 | 30,32,907 | 39.69 | 30,32,907 | 0 | 30,32,907 | 39.69 | 0.00 |
| (B) Public shareholding | | | | | | | | | | |
| Institutions | | | | | | | | | | |
| (a) | Central / State government(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Statement Showing Shareholding Pattern | | | | | | | | | | |
|--|--|--|----------|-----------------|------------|--|----------|-----------------|---------|-------------|
| | | No. of Shares held at the beginning of the year: 01/04/2023 | | | | No. of Shares held at the end of the year: 31/03/2024 | | | | |
| | Category of Shareholder | Demat | Physical | Total Shares | Total % | Demat | Physical | Total Shares | Total % | % Change |
| (b) | Financial Institutions / Banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (c) | Mutual Funds / UTI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (e) | Insurance companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (f) | FII'S | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Any Others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (j) | Foreign Portfolio Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (k) | Alternate Investment Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (B)(1) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-Institutions | | | | | | | | | | |
| (a) | Bodies Corporate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (b) | Individual | | | | | | | | | |
| (i) | (Capital Upto To ₹ 2 Lakh) | 49,190 | 28,110 | 77,300 | 1.01 | 81,480 | 5,000 | 86,480 | 1.13 | 0.12 |
| (ii) | (Capital Greater Than ₹ 2 Lakh) | 50,000 | 0 | 50,000 | 0.65 | 50,000 | 0 | 50,000 | 0.65 | 0 |
| (c) | Any Others (Specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (i) | Trusts | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (ii) | Clearing Member | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Statement Showing Shareholding Pattern | | | | | | | | | | |
|---|----------------------------------|---|--------------|----------------|------------|---|-------------|----------------|---------------|-------------|
| | | No. of Shares held at the beginning of the year: 01/04/2023 | | | | No. of Shares held at the end of the year: 31/03/2024 | | | | |
| | Category of Shareholder | Demat | Physical | Total Shares | Total % | Demat | Physical | Total Shares | Total % | % Change |
| (iii) | Non Resident Indians (NRI) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (iv) | Non Resident Indians (Repat) | 5950 | 0 | 5950 | 0.08 | 5950 | 0 | 5950 | 0.08 | 0.00 |
| (v) | Non Resident Indians (Non Repat) | 9300 | 0 | 9300 | 0.12 | 18,240 | 0 | 18,240 | 0.24 | 0.12 |
| (vi) | Directors Relatives | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (vii) | Employee | 0 | 18120 | 18120 | 0.24 | 0 | 0 | 0 | 0 | (0.24) |
| (viii) | Overseas Bodies Corporates | 4448008 | 0 | 4448008 | 58.21 | 4448008 | 0 | 4448008 | 58.21 | 0.00 |
| (ix) | Unclaimed Suspense Account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Sub Total (B)(2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | (B)=(B)(1) + (B)(2) | 4562448 | 46230 | 4608678 | 60.31 | 4603678 | 5000 | 4608678 | 60.31 | 0.00 |
| (C) Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | | | | |
| (a) | Shares Held By Custodian | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (i) | Promoter and Promoter Group | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (ii) | Public | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Sub Total (C)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | (C)=(C)(1) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | Grand Total (A)+(B)+(C) | 7595355 | 46230 | 7641585 | 100 | 7636585 | 5000 | 7641585 | 100.00 | 0.00 |

II. Shareholding of Promoters

| | | Shareholding at the beginning of the year 01/04/2023 | | | Shareholding at the end of the year 31/03/2024 | | | |
|---------|--|--|-------------------------|--|--|-------------------------|---|--|
| Sr. No. | Name | Number of Shares | % Shares of the Company | % of Shares Pledged / encumbered to total shares | Number of Shares | % Shares of the Company | % of Shares Pledged/ encumbered to total shares | % Change in shareholding during the year |
| 1 | Global Fintech Private Limited | 3,50,000 | 4.5802 | 0.0000 | 3,50,000 | 4.5802 | 0.0000 | 0.00 |
| 2 | Priya Agarwal | 50,000 | 0.65 | 0.0000 | 50,000 | 0.65 | 0.0000 | 0.00 |
| 3 | Shaina Rahul Agarwal | 15,000 | 0.20 | 15,000 | 15,000 | 0.20 | 15,000 | 0 |
| 4 | Rashmi Agarwal | 4,65,000 | 6.0851 | 0.0000 | 4,65,000 | 6.0851 | 0.0000 | 0 |
| 5 | Rohit Agarwal | 1,50,000 | 1.9629 | 0.0000 | 1,50,000 | 1.9629 | 0.0000 | 0 |
| 6 | Maninder Mahabir Singh | 4,14,101 | 5.4910 | 0.0000 | 4,14,101 | 5.3251 | 0.0000 | 0.00 |
| 7 | Batlivala and Karani Portfolio Advisory Services Pvt. Ltd. | 7,06,250 | 9.2422 | 0.0000 | 7,06,250 | 9.2422 | 0.0000 | 0.00 |
| 8 | Rajesh Mirjankar | 4,17,893 | 5.47 | 0.0000 | 4,17,893 | 5.47 | 0.0000 | 0.00 |
| 9 | Manoj Murarka | 3,97,956 | 5.21 | 0.0000 | 3,97,956 | 5.21 | 0.0000 | 0.00 |
| 10 | Jai Rahul Agarwal | 66,707 | 0.87 | 0.0000 | 66,707 | 0.87 | 0.0000 | 0.00 |
| | | 30,32,907 | 39.7614 | 0.0000 | 30,32,907 | 39.7614 | 0.0000 | 0.00 |

III. Change in Promoters' Shareholding

| C. CHANGE IN PROMOTERS' SHAREHOLDING | | | | |
|---|---|----------------------------------|---|----------------------------------|
| | Shareholding at the beginning of the year 01/04/2023 | | Shareholding at the end of the year 31/03/2024 | |
| | Number of Shares | % of total shares of the company | Number of Shares | % of total shares of the company |
| At the beginning of the year | NIL | NIL | NIL | NIL |
| At the end of the year | NIL | NIL | NIL | NIL |

IV. Indebtedness

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

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

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

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

| Particulars of Remuneration | Rajesh Mirjankar | Total |
|---|--------------------|--------------------|
| Gross salary | | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,82,97,505 | 1,82,97,505 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 3,58,093 | 3,58,093 |
| (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | | |
| Stock Option | - | - |
| Sweat Equity | - | - |
| Commission | | |
| - as % of profit | - | - |
| - others, specify | - | - |
| Others, please specify | | |
| - Contribution to Provident Fund | 4,53,744 | 4,53,744 |
| Total | 1,91,09,342 | 1,91,09,342 |

B. Remuneration to other Directors:

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

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

| Particulars of Remuneration | Kankesh Kamath Chief Financial Officer | Meet Bhagat Company Secretary | Total |
|---|---|--|--------------------|
| Gross salary | | | |
| (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 91,69,856 | 30,17,222 | 1,21,87,078 |
| (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - |
| (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| Stock Option (No. of shares) | - | - | - |
| Sweat Equity | - | - | - |
| Commission - as % of profit - others, specify | - | - | - |
| Others, please specify -Contribution to Provident Fund | 2,40,000 | 1,06,920 | 3,46,920 |
| Total | 94,09,856 | 31,24,142 | 1,25,33,998 |

VI. Penalties / punishment/ compounding of offences:

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

For INFRASOFT TECHNOLOGIES LIMITED

**Rahul Bhasin
Chairman
(DIN 00236867)**

Place: Mumbai
Date: July 24, 2024

**ANNEXURE NO. 4
TO DIRECTORS' REPORT
CSR REPORT**

1. Brief outline of CSR Policy

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

2. Composition of CSR Committee:

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

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

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

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

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

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in Rs.) | Amount required to be set off for the year, if any (in Rs.) |
|---------|----------------|--|---|
| 1 | 2023-2024 | 3,78,449 | 1,90,207 |

6. Average net profit of the company as per Section 135(5) – Rs. 59,19,12,104/-

7. (a) Two percent of average net profit of the company as per section 135(5) – Rs. 1,18,38,242/-

(b) Surplus arising out of the CSR Project or programmes or activities of the previous financial year – Rs. 3,78,449/- excess contributed.

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

8. (d) Total CSR obligation for the financial year (7a+7b+7c) - 1,18,38,242/-

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

Spent - **Rs. 1,16,50,000**

Unspent – **NA**

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

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

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

| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes / No) | Location of the project | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial Year (in Rs.). | Total amount transferred to Unspent CSR account as per section 135(6) | Mode of implementation – Direct (Yes/No) | Mode of implementation – Through implementing agency |
|---------|---------------------|---|-----------------------|-------------------------|------------------|---|--|---|--|--|
| | | NA | | | | | | | | |

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

| Sr. No. | Name of the Project | Item from list of activities in schedule VII to the Act. | Local area (Yes / No) | Location of the project | | Amount spent for the project (in Rs.) | Mode of implementation- Direct (Yes / No) | Mode of implementation– Through implementing agency. | |
|---------|---|--|-----------------------|-------------------------|------------------|---------------------------------------|---|--|--------------------------|
| | | | | State | District | | | Name | CSR Registration number. |
| 1 | Promoting measures (by way of providing | Clause iii in Schedule VII | Yes | Maharashtra | Pune & Bengaluru | 60,00,000 | No | Janaseva Foundation | CSR00003160 |

| Sr. No. | Name of the Project | Item from list of activities in schedule VII to the Act. | Local area (Yes / No) | Location of the project | | Amount spent for the project (in Rs.) | Mode of implementation- Direct (Yes / No) | Mode of implementation- Through implementing agency. | |
|---------|---|--|-----------------------|-------------------------|------------|---------------------------------------|---|--|--------------------------|
| | | | | State | District | | | Name | CSR Registration number. |
| | school education) for reducing inequalities faced by socially and economically backward groups. | | | | | | | | |
| 2 | Promotion of Education, Health and Rural Development | | Yes | Puducherry | Puducherry | 56,50,000 | No | The Akshaya Patra Foundation | CSR00000286 |

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

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – Rs. 1,16,50,000/-

Excess amount for set off, if any

| Sr. No. | Particular | Amount (in Rs.) |
|---------|---|-----------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 1,18,38,242 |
| (ii) | Total amount spent for the Financial Year | 1,16,50,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | -118242 |
| (iv) | Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any | 3,78,449 |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 1,90,207 |

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

| Sr. No. | Preceding Financial Year. | Amount transferred to Unspent | Amount spent in the | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | Amount remaining to be spent |
|---------|---------------------------|-------------------------------|---------------------|--|------------------------------|
|---------|---------------------------|-------------------------------|---------------------|--|------------------------------|

| | | CSR Account under section 135 (6) (in Rs.) | reporting Financial Year (in Rs.). | Name of the Fund | Amount (in Rs). | Date of transfer. | in succeeding financial years. (in Rs.) |
|--|--|--|------------------------------------|------------------|-----------------|-------------------|---|
| | | | | | | | |

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

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

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

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

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

For INFRAsoft TECHNOLOGIES LIMITED

For INFRAsoft TECHNOLOGIES LIMITED

Managing Director & Chief Executive Officer

Chairman – CSR Committee

Place: Mumbai

Date: July 24, 2024

ANNEXURE NO. 5
TO DIRECTORS REPORT
Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies
(Accounts) Rules, 2014)

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

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

The Company has not entered into any contract or arrangement or transactions with its related parties which is not at arm's length during the financial year 2023-24.

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

| Sr. No. | Particulars | Details of the Related Party Transactions |
|----------------|---|--|
| (a) | Name(s) of the related party and nature of relationship | 7 (Seven) Subsidiary Companies of Infrasoftware Technologies Limited and one related party entity, the names and details whereof are separately mentioned in the Directors Report annexed and forming part of this Annual Report |
| (b) | Nature of contracts / arrangements / transactions | Contracts are mainly entered in to for Transfer Pricing |
| (c) | Duration of the contracts / arrangements / transactions | Agreements are renewed from time to time |
| (d) | Salient terms of the contracts or arrangements or transactions including the value: | The terms and conditions of the Contact are related to the Transfer Pricing |
| (e) | Date(s) of approval by the Board: | The transactions are entered on arms' length and on ordinary course. |
| (f) | Software development income: Recovery of expenses | Rs. 109,76,20,626 Rs. 25,88,928 |

For INFRA SOFTWARE TECHNOLOGIES LIMITED

Rahul Bhasin
Chairman
(DIN 00236867)

Place: Mumbai
Date: July 24, 2024

Independent Auditor's Report

To the Members of Infracore Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Infracore Technologies Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and 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 Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Other Information

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

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

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

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

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

Registered Office:

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

including the Indian Accounting Standards (Ind AS) 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept so far as it appears from our examination of those, except
 - ☐ for the matters stated in paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors Rules), 2014; and
 - ☐ that the back-up of the accounting software used for maintaining time sheet of employees of the Company and accounting software used for maintaining sales volume count records which forms part of the 'books of account and other relevant books and papers in electronic mode' has not been kept on servers physically located in India on a daily basis.
 - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

- d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 40(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, 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 Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks and considering report of independent auditor's in relation to controls at the service organisation for payroll software except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
- The feature of recording audit trail (edit log) facility was not enabled for accounting software used for maintaining general ledger, property plant and equipment, purchases, sales and journal vouchers; accounting software used for maintaining time sheet of employees of the Company and accounting software used for maintaining revenue volume count records. Consequently, we are unable to comment on audit trail feature of the said softwares.
- Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

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

We draw attention to Note 41 (ii) to the standalone financial statements for the year ended 31 March 2024 according to which the managerial remuneration paid to Managing Director of the Company (amounting to Rs. 18.66 million) exceeds the prescribed limits under Section 197 of the Companies Act, 2013 by Rs 0.74 million. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Company proposes to obtain in the forthcoming Annual general Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Chartered Accountants

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

JITENDRA
JAYANTILAL
VAISHNAV

Digitally signed by
JITENDRA JAYANTILAL
VAISHNAV
Date: 2024.07.24
18:36:29 +05'30'

Jitendra Vaishnav

Partner

Place: Mumbai

Date: 24 July 2024

Membership No.: 123636

ICAI UDIN:24123636BKJMIS8924

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infracore Technologies Limited for the year ended 31 March 2024

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

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

(Rs in millions)

| Quarter | Name of bank | Particulars | Amount as per books of account (in millions) | Amount as reported in the quarterly return/statement (in millions) | Amount of difference | Whether return/statement subsequently rectified |
|-----------|-----------------------------------|---|--|--|----------------------|---|
| June 2023 | The Hongkong and Shanghai Banking | Cummulative sales during the current period | 530.38 | 532.22 | 1.84 | Yes |

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infracore Technologies Limited for the year ended 31 March 2024 (Continued)

| Quarter | Name of bank | Particulars | Amount as per books of account (in millions) | Amount as reported in the quarterly return/statement (in millions) | Amount of difference | Whether return/statement subsequently rectified |
|----------------|---------------------|--|--|--|----------------------|---|
| September 2023 | Corporation Limited | Cumulative sales during the current period | 1,231.98 | 1,235.68 | 3.70 | Yes |
| September 2023 | | EBITDA for the month | 42.57 | (75.40) | 117.97 | Yes |
| September 2023 | | Creditors | 135.11 | 109.10 | 26.01 | Yes |
| December 2023 | | Cumulative sales during the current period | 1,867.89 | 1,872.70 | 4.81 | Yes |
| December 2023 | | Creditors | 79.67 | 73.87 | 5.80 | Yes |

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans, secured or unsecured, or granted any advances in the nature of loans, secured, to any company or firm or limited liability partnership or any other party, or made investments in or granted any advances in the nature of loans, unsecured, to any firm or limited liability partnership or any other party during the year. The Company has made investment in and granted unsecured advance in the nature of loan to a company during the year in respect of which the requisite information is as below.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans as below:

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infracore Technologies Limited for the year ended 31 March 2024 (Continued)

| Particulars | Advances in nature of loans (Amounts in Rs. millions) |
|---|--|
| Aggregate amount during the year Others* | 1.51 |
| Balance outstanding as at balance sheet date Others* | 0.94 |

**As per the Companies Act, 2013*

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the advances in the nature of loan granted during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any loan during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loan, given to Watchdata Technologies (India) Pvt Ltd. Rs. 0.94 million, the schedule of repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment on whether the repayments or receipts are regular. Further, the Company has not given granted any loan during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loan as reported in clause (iii) (c) above, the schedule for repayment of principal and payment of interest have not been stipulated and accordingly we are unable to comment on the amount overdue for more than ninety days. Further, the Company has not given any loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in case of advance in the nature of loan as reported in clause (iii) (c) above, the schedule for repayment of principal and payment of interest has not been stipulated and accordingly we are unable to comment whether any advance in nature of loan has fallen due during the year. Further, the Company has not given any loans to any party during the year.
- (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 or advance in the nature of loan:

| Particulars | All Parties (Amounts in Rs. millions) |
|--|--|
| Aggregate of advances in nature of loan - Agreement does not specify any terms or period of Repayment | 1.51 |
| Percentage of advances in nature of loan to the total advances | 42.59% |

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infrasoftware Technologies Limited for the year ended 31 March 2024 (Continued)

- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there has been slight delay in one case of Income-tax. As explained to us, the Company does not have any dues on account of Duty of Customs and Cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

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

| Name of the statute | Nature of the dues | Gross Demand (Rs. in million) | Amount paid unde protest (Rs. in million) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|--------------------|-------------------------------|---|------------------------------------|--------------------------------|
| Income-Tax Act, 1961 | Income tax demand | 3.06 | 2.93 | AY 2002-03 | High Court, New Delhi |
| Income-Tax Act, 1961 | Income tax demand | 19.47* | 14.30 | AY 2006-07 | CIT (A), Mumbai |
| Income-Tax Act, 1961 | Income tax demand | 1.31* | - | AY 2008-09 | CIT (A), Mumbai |
| Income-Tax Act, 1961 | Income tax demand | 9.93* | - | AY 2009-10 | CIT (A), Mumbai |
| Income-Tax | Income tax | 12.80 | - | AY 2012-13 | Bombay |

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infracore Technologies Limited for the year ended 31 March 2024 (Continued)

| Name of the statute | Nature of the dues | Gross Demand (Rs. in million) | Amount paid unde protest (Rs. in million) | Period to which the amount relates | Forum where dispute is pending |
|--|--------------------|-------------------------------|---|------------------------------------|--------------------------------|
| Act, 1961 | demand | | | | High Court |
| Income-Tax Act, 1961 | Income tax demand | 11.82 | - | AY 2013-14 | Bombay High Court |
| Income-Tax Act, 1961 | Income tax demand | 3.30* | - | AY 2017-18 | CIT (A), Mumbai |
| *For AYs 2006-07, 2008-09, 2009-10 and 2017-18, the Company has received a favourable order from Commissioner of Income Tax (Appeal) (CIT (A)) dated 02 May 2024 for AY 2008-09 and 2009-10 and dated 01 May 2024 for AY 2017-18. The order giving effect to the order of the CIT (A) for these years is awaited by the Company. | | | | | |

- (viii) 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 surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2024.
- (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 (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2024.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infrasoftware Technologies Limited for the year ended 31 March 2024 (Continued)

- placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Infracore Technologies Limited for the year ended 31 March 2024 (Continued)

up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Place: Mumbai

Date: 24 July 2024

Membership No.: 123636

ICAI UDIN:24123636BKJMIS8924

Annexure B to the Independent Auditor's Report on the standalone financial statements of Infracore Technologies Limited for the year ended 31 March 2024

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Infracore Technologies Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Annexure B to the Independent Auditor's Report on the standalone financial statements of Infracore Technologies Limited for the year ended 31 March 2024 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Place: Mumbai

Date: 24 July 2024

Membership No.: 123636

ICAI UDIN:24123636BKJMS8924

Infrasoft Technologies Limited

Standalone Balance Sheet

as at 31 March 2024

(Amounts in ₹ million)

| | Note | 31 March 2024 | 31 March 2023 |
|--|------|-----------------|-----------------|
| A. ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, plant and equipment | 2(a) | 247.15 | 296.58 |
| (b) Right-of-use assets | 2.1 | 329.35 | 384.65 |
| (c) Other intangible assets | 2(b) | 7.76 | 12.90 |
| (d) Financial assets | | | |
| (i) Investments | 3 | 139.34 | 139.39 |
| (ii) Other financial assets | 4 | 86.87 | 80.68 |
| (e) Deferred tax assets (net) | 30 | 178.50 | 111.47 |
| (f) Other tax assets (net) | 5(a) | 287.12 | 229.45 |
| (g) Other non current assets | 6 | 62.56 | 20.45 |
| Total non-current assets | | 1,338.65 | 1,275.57 |
| II Current assets | | | |
| (a) Financial assets | | | |
| (i) Investments | 7 | 37.93 | 34.93 |
| (ii) Trade receivables | 8 | 884.36 | 684.58 |
| (iii) Cash and cash equivalents | 9 | 39.50 | 168.17 |
| (iv) Bank balances other than (iii) above | 10 | 84.87 | 91.35 |
| (v) Other financial assets | 11 | 22.63 | 15.59 |
| (b) Other current assets | 12 | 1,204.59 | 1,015.27 |
| Total current assets | | 2,273.88 | 2,009.89 |
| Total assets (I + II) | | 3,612.53 | 3,285.46 |
| B. EQUITY AND LIABILITIES | | | |
| I Equity | | | |
| (a) Equity share capital | 13 | 76.42 | 76.42 |
| (b) Other equity | 14 | 2,150.88 | 2,114.44 |
| Total equity | | 2,227.30 | 2,190.86 |
| II Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 15 | 310.40 | 352.50 |
| (b) Provisions | 16 | 20.41 | 8.74 |
| Total non-current liabilities | | 330.81 | 361.24 |
| III Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 15 | 46.95 | 42.98 |
| (ii) Trade payables | 17 | | |
| (a) Total outstanding dues of micro enterprises and small enterprises; and | | 21.52 | 2.34 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 210.03 | 104.92 |
| (iii) Other financial liabilities | 18 | 208.16 | 177.84 |
| (b) Other current liabilities | 19 | 475.07 | 314.66 |
| (c) Provisions | 20 | 84.98 | 83.56 |
| (d) Current tax liabilities (net) | 5(b) | 7.71 | 7.06 |
| Total current liabilities | | 1,054.42 | 733.36 |
| Total liabilities (II + III) | | 1,385.23 | 1,094.60 |
| Total equity and liabilities (I + II + III) | | 3,612.53 | 3,285.46 |

Material accounting policies

1.3

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 42)

In terms of our report of even date attached.

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

Chartered Accountants

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

**JITENDRA
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VAISHNAV**

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JITENDRA JAYANTILAL
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Date: 2024.07.24 18:29:16
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Jitendra Vaishnav

Partner

Membership No: 123636

For and on behalf of Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

**RAHUL
BHASIN**

Rahul Bhasin

Chairman

DIN: 00236867

**RAJESH
MIRJANKAR**

Rajesh Mirjankar

Managing Director

DIN: 03594206

**KANKESH
MURLIDHAR
KAMATH**

Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

**Meet
Ramesh
Bhagat**

Meet Bhagat

Company Secretary

Membership No: ACS 20518

Mumbai

Date : 24 July 2024

Infrasoft Technologies Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

(Amounts in ₹ million)

| | Note | 31 March 2024 | 31 March 2023 |
|--|------|-----------------|-----------------|
| A. Income: | | | |
| (a) Revenue from operations | 21 | 3,018.73 | 3,227.34 |
| (b) Other income | 22 | 93.43 | 142.80 |
| Total income | | 3,112.16 | 3,370.14 |
| B. Expenses: | | | |
| (a) Employee benefits expense | 23 | 1,855.93 | 1,706.61 |
| (b) Finance costs | 24 | 27.40 | 25.00 |
| (c) Depreciation and amortisation expenses | 25 | 138.70 | 113.39 |
| (d) Other expenses | 26 | 991.04 | 870.64 |
| Total expenses | | 3,013.07 | 2,715.64 |
| C. Profit before tax (A-B) | | 99.09 | 654.50 |
| D. Tax expense: | | | |
| Current tax | 29 | 76.33 | 41.30 |
| Deferred tax | 30 | (68.03) | 115.49 |
| Tax expense | | 8.30 | 156.79 |
| E. Profit for the year (C- D) | | 90.79 | 497.71 |
| F. Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Re-measurements of the defined benefit plans | | 3.96 | (19.47) |
| Income tax relating to items that will not be reclassified to profit or loss | | (1.00) | 4.90 |
| Other comprehensive income/ (loss) for the year, net of tax | | 2.96 | (14.57) |
| G. Total comprehensive income for the year (E+F) | | 93.75 | 483.14 |
| Earnings per equity share | 27 | | |
| Basic | | 11.88 | 63.22 |
| Diluted | | 11.88 | 63.12 |
| (Face value of Rs. 10/-) | | | |

Material accounting policies

1.3

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 42)

In terms of our report of even date attached.

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

Chartered Accountants

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

**JITENDRA
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VAISHNAV**

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VAISHNAV
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Jitendra Vaishnav

Partner

Membership No: 123636

For and on behalf of Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

**RAHUL
BHASIN**

Rahul Bhasin

Chairman

DIN: 00236867

**RAJESH
MIRJANKAR**

Rajesh Mirjankar

Managing Director

DIN: 03594206

**KANKESH
MURLIDHAR
KAMATH**

Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

**Meet Ramesh
Bhagat**

Meet Bhagat

Company Secretary

Membership No: ACS 20518

Mumbai

Date : 24 July 2024

Infrasoft Technologies Limited

Standalone Statement of Changes in Equity
for the year ended 31 March 2024

A. Equity share capital

(Amounts in ₹ million)

| Particulars | Note | Amount |
|---|------|--------|
| As at 1 April 2022 | 13 | 76.42 |
| Changes in equity share capital during the year | | - |
| As at 31 March 2023 | 13 | 76.42 |
| Changes in equity share capital during the year | | - |
| As at 31 March 2024 | 13 | 76.42 |

B. Other Equity

(Amounts in ₹ million)

| Particulars | Reserves and Surplus | | | | Items of OCI | Total Other Equity |
|--|----------------------|--------------------|----------------------------|-----------------|---|--------------------|
| | Retained Earnings | Securities premium | Capital Redemption Reserve | General Reserve | Remeasurements of the defined benefit plans | |
| Balance at 1 April 2022 | 1,689.91 | 28.50 | 7.15 | 65.10 | (6.53) | 1,784.13 |
| Add: Profit for the year | 497.71 | - | - | - | - | 497.71 |
| Less : Interim dividend | (152.83) | - | - | - | - | (152.83) |
| Add: Remeasurements of the defined benefit plans, net of taxes | - | - | - | - | (14.57) | (14.57) |
| As at 31 March 2023 | 2,034.79 | 28.50 | 7.15 | 65.10 | (21.10) | 2,114.44 |
| Add: Profit for the year | 90.79 | - | - | - | - | 90.79 |
| Less : Interim dividend | (57.31) | - | - | - | - | (57.31) |
| Add: Remeasurements of the defined benefit plans, net of taxes | - | - | - | - | 2.96 | 2.96 |
| As at 31 March 2024 | 2,068.27 | 28.50 | 7.15 | 65.10 | (18.14) | 2,150.88 |

Material accounting policies (Refer Note 1.3)

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 42)

In terms of our report of even date attached.

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

Chartered Accountants

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

JITENDRA
JAYANTILAL
VAISHNAV

Jitendra Vaishnav
Partner

Membership No: 123636

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Date: 2024.07.24 18:34:05
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RAHUL
BHASIN

Rahul Bhasin
Chairman

DIN: 00236867

KANKESH
MURLIDHAR
KAMATH

Kankesh Kamath
Chief Financial Officer

Membership No: ACA 100377

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MURLIDHAR KAMATH
Date: 2024.07.24 16:51:58
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For and on behalf of Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

RAJESH
MIRJANKAR

Rajesh Mirjankar
Managing Director

DIN: 03594206

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RAJESH MIRJANKAR
Date: 2024.07.24
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Meet Ramesh
Bhagat

Meet Bhagat
Company Secretary

Membership No: ACS 20518

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Meet Ramesh Bhagat
Date: 2024.07.24
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Mumbai

Date : 24 July 2024

Infrasoft Technologies Limited

Standalone Statement of Cash Flow

for the year ended 31 March 2024

(Amounts in ₹ million)

31 March 2024 31 March 2023

A. Cash flows from operating activities

| | | |
|--|-----------------|----------|
| Profit before tax | 99.09 | 654.50 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 138.70 | 113.39 |
| Finance costs | 27.40 | 25.00 |
| Gain on sale of property, plant and equipment (net) | - | (0.18) |
| Gain on sale of investments (net) | (0.23) | (14.16) |
| Change in fair value of financial assets at FVTPL | (3.00) | 5.59 |
| Interest income on fixed deposits | (6.64) | (5.22) |
| Unwinding of discount on security deposits | (1.24) | (1.03) |
| Dividend income on equity securities | (67.25) | (117.65) |
| Unbilled revenue written off | 5.95 | 1.63 |
| Impairment loss recognised under expected credit loss model | 214.48 | 114.64 |
| Unrealised foreign exchange (gain)/loss | (0.93) | 0.55 |
| Liabilities no longer required, written back | (6.82) | (4.42) |
| Operating profit before working capital changes | 399.51 | 772.64 |
| Changes in working capital | | |
| Decrease/(Increase) in trade receivable and unbilled revenue | (556.58) | (886.10) |
| (Decrease)/Increase in trade payables | 131.11 | (68.24) |
| Decrease/(Increase) in other financial assets and other assets | (96.43) | 77.53 |
| (Decrease)/Increase in other financial liabilities, other liabilities and provisions | 206.51 | 50.52 |
| Cash generated from operating activities | 84.12 | (53.65) |
| Income tax paid, net of refund | (134.00) | (142.25) |
| Net cash used in operating activities (A) | (49.88) | (195.90) |

B. Cash flows from investing activities

| | | |
|---|----------------|----------|
| Purchase of property, plant and equipment | (21.24) | (192.30) |
| Proceeds from sale of property, plant and equipment | - | 0.18 |
| Investment in mutual funds | (50.00) | - |
| Proceeds from sale of investments | 50.28 | 516.02 |
| Investment in term deposits | (0.73) | (204.00) |
| Proceeds from maturity of term deposits | - | 190.71 |
| Dividend income received | 67.25 | 117.65 |
| Interest income received on term deposits | 4.20 | 4.71 |
| Net cash from investing activities (B) | 49.76 | 432.97 |

C. Cash flows from financing activities

| | | |
|--|-----------------|----------|
| Dividend paid during the year | (57.31) | (152.83) |
| Principal payment of lease liabilities (refer note 15(c)) | (44.04) | (30.58) |
| Interest paid on lease liabilities (refer note 15(c)) | (27.19) | (24.84) |
| Net cash used in financing activities (C) | (128.54) | (208.25) |
| Net (decrease)/ increase in cash and cash equivalents (A+B+C) | (128.66) | 28.82 |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | - | (0.38) |
| Cash and cash equivalents at the beginning of the year | 168.17 | 139.72 |
| Cash and cash equivalents at the end of the year | 39.51 | 168.16 |

Infrasoft Technologies Limited

Standalone Statement of Cash Flows (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

| | | | |
|--|--|--------------|---------------|
| Components of cash and cash equivalents | | | |
| Balances with banks | | | |
| - On current account | | 39.50 | 168.17 |
| | | 39.50 | 168.17 |
| Non-cash transactions | | | |
| Acquisition of right-of-use assets | | 6.12 | 166.10 |

Notes:
Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013

Material accounting policies (Refer Note 1.3)

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 42)

In terms of our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022
JITENDRA
JAYANTILAL
VAISHNAV
Digitally signed by
JITENDRA JAYANTILAL
VAISHNAV
Date: 2024.07.24 18:34:29
+05'30'
Jitendra Vaishnav
Partner
Membership No: 123636

Mumbai
Date : 24 July 2024

RAHUL
BHASIN
Digitally signed by RAHUL BHASIN
Date: 2024.07.24 16:52:37 +05'30'
Rahul Bhasin
Chairman
DIN: 00236867

KANKESH MURLIDHAR
KAMATH
Digitally signed by KANKESH MURLIDHAR KAMATH
Date: 2024.07.24 16:52:37 +05'30'
Kankesh Kamath
Chief Financial Officer
Membership No: ACA 100377

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

RAJESH
MIRJANKAR
Digitally signed by
RAJESH MIRJANKAR
Date: 2024.07.24
16:56:48 +05'30'
Rajesh Mirjankar
Managing Director
DIN: 03594206

Meet Ramesh
Bhagat
Digitally signed by Meet Ramesh Bhagat
Date: 2024.07.24 17:00:14
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Meet Bhagat
Company Secretary
Membership No: ACS 20518

Infrasoft Technologies Limited

Notes forming part of the Financial Statements

for the year ended 31 March 2024

1.1 GENERAL INFORMATION

Infrasoft Technologies Limited ('the Company') is a public limited company incorporated under the Companies Act, 1956. The Company's registered office is in Mumbai and it has subsidiaries across multiple geographies.

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

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

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

1.2 BASIS OF PREPARATION AND PRESENTATION

(a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

The Company has prepared its financial statements which comply with Ind AS applicable for year ending on 31 March 2024, together with the comparative period data as at and for the year ended 31 March 2023, as described in summary of material accounting policies.

All amounts have been rounded to the nearest million, unless otherwise indicated and except for per share data.

The financial statements of the Company were approved and authorised for issue in accordance with a resolution passed in the Board of Directors meeting held on 24 July 2024.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.2 BASIS OF PREPARATION AND PRESENTATION (Continued)

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

| Items | Measurement Basis |
|--|--|
| Non derivative financial instruments at fair value through profit and loss (FVTPL) | Fair value |
| Equity securities at fair value through other comprehensive income (FVOCI) | Fair value |
| Net defined benefit (asset)/ liability | Fair Value of plan assets less the present value of the defined benefit obligation |

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs).

Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures. Actual Results may differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 1.3 (a): Revenue recognition: whether revenue from products is recognised over time or at a point in time;
- Note 1.3 (f): Lease term: whether the company is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Notes 1.3 (a): Revenue recognition: degree of completion of performance obligation;

Notes 1.3 (b) and (c): Property, plant and equipment and intangible assets: Useful lives and impairment;

Notes 1.3 (d): Financials instruments: measurement of expected credit loss allowance ('ECL') for trade receivables and contract assets, key assumptions in determining the weighted-average loss rate;

Notes 1.3 (g): Employee benefits: key actuarial assumptions used in the measurement of employee benefits obligations;

Notes 1.3 (i): Deferred taxes: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward, if any, can be utilised;

Notes 1.3 (j): Provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.2 BASIS OF PREPARATION AND PRESENTATION (Continued)

(e) Current–non-current classification

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

Assets

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

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES

(a) Revenue recognition

The Company derives revenue primarily from software development, maintenance of software/ hardware and related services, sale of IT and other products. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

Revenue 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 related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- In respect of other fixed-price contracts, which includes sale of products and equipments, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- The solutions offered by the Company may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the Company is acting as the principal or as an agent of the customer. The Company recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of discounts and service level credits, if any, as per the terms of the contract. Revenue also excludes taxes collected from customers.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include promises to transfer multiple products and services to a customer. The Company assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. The Company allocates the arrangement consideration to separately identifiable performance obligations based on their relative standalone selling price if each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation.
- Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as service level credits, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(a) Revenue recognition (Continued)

Cost to obtain and fulfill contracts

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained is recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The asset so recognised is amortized to revenue on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Certain eligible, nonrecurring contract fulfilment costs that do not represent a separate performance obligation are recognised as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such costs are amortised over the contractual period or useful life of license, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets and contract liabilities

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets reflect revenue recognised for which the corresponding rights to receive consideration are contingent upon something else other than the passage of time, such as the company's future performance, achievement of billing milestones, or customer acceptance. Accordingly, contract assets are disclosed under other current assets as 'Unbilled revenue'.

Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The contract modification are accounted for when the addition, deletion and changes are approved either to contract scope or contract price. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest income:

Interest income is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument.

Dividend Income

Dividend income is recognised in the Statement of Profit and Loss when the Company's right to receive payment is established.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(b) Property, plant and equipment:

Recognition and measurement

Property, plant and equipment (including capital work-in-progress) are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction are disclosed as capital work-in-progress.

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

Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably.

Depreciation:

Depreciation on property, plant and equipment is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their useful lives and is recognised in the Statement of Profit and Loss. The estimated useful lives for the current and comparative periods is as follows:

| Type of asset | Estimated useful life |
|---|-----------------------|
| Computer equipments (including servers) | 3-6 years |
| Furniture and fixture | 10 years |
| Office equipment | 5 years |
| Electrical and fittings | 10 years |
| Vehicles | 8 years |

The useful lives as given above best represent the period over which the management expects to use these assets and are as per Part C of Schedule II of the Companies Act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Improvements to leased premises are amortized over the remaining non-cancellable period of the lease.

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 and Loss in the year the asset is derecognised.

Transition to Ind AS

The cost of property, plant and equipment at 1 April 2021, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

(c) Other intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible assets is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of Profit and Loss.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Other Intangible assets are amortised on the straight line method over a period of 3 years.

Transition to Ind AS

The cost of other intangible assets at 1 April 2021, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2023

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(c) Other intangible assets (Continued)

Impairment of Property, plant and equipment, and other intangible assets

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

(d) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments, except trade receivables that are initially recognised when they are originated.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial assets

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

- Amortised cost; or
- FVOCI - Debt investment; or
- FVOCI – equity investment;
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

A financial asset which is not classified in any of the above categories are measured at FVTPL. However, in case where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at FVTPL the subsequent changes in fair value are recognised in Other Comprehensive Income.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(d) Financial Instruments (Continued)

Subsequent measurement and gains and losses

| | |
|------------------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. |

Financial liabilities – Classification, subsequent measurement and gains and losses

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. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. 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

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.

Financial liabilities

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

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.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(e) Impairment

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets measured at FVTPL category. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component and as per simplified approach, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall. Impairment losses and reversals are recognised in Statement of Profit and Loss.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Write-off

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 statement of profit and loss.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(f) Leases

The Company primarily has leased rental office premises across multiple locations. At the inception of contract the Company assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Company as a lessee

Recognition and measurement

The Company recognises the right of use asset and lease liability at the lease commencement date of lease. The right of use asset is initially measured at cost, which comprises of the initial amount of lease liability adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate. The Company generally uses its incremental borrowing rate as discount rate.

Lease payments include fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the company under the residual value guarantee and the exercise price of a purchase option; if the company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the company shall exercise a termination option.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of lease term or over the useful life of right-of-use asset.

The lease liability is measured at amortised cost using effective interest method. It is remeasured when there is a change in future lease payments.

Extension and termination of lease

The Company determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Short term leases

The Company has elected not to recognise right of use of assets and lease liabilities for short-term leases that have 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 in the Statement of Profit and Loss.

Impairment for right of use of assets

Right of use assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in Statement of Profit and Loss.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(g) Employee benefits

(i) Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for the employee services is recognised as an expense as the related service is rendered by employees. The liabilities are presented as current employee benefit obligations in the balance sheet. A liability is recognised for the amount expected to be paid under short term cash bonus, if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post Employment employee benefits

Defined benefit plan

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plan

The Company's contribution towards employee's provident fund is a defined contribution plan. The Company makes specified monthly contributions towards employee provident fund. The Company's contribution paid/payable under the schemes is recognised as employee benefits expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Other long term employee benefits - Compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(h) Foreign currency

Indian Rupee is the Company's functional as well as presentation currency.

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.

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 assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

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 recognised in the Statement of Profit and Loss.

(i) Income tax

Income tax expense comprises current and deferred tax.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

Deferred taxes

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the taxes are also recognised in other comprehensive income or directly in equity respectively.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(j) Provisions, contingent liabilities and contingent asset

Provisions

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

(a) Onerous Contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Company recognises any impairment loss on the assets associated with that contract.

(b) Site restoration costs

The Company uses various premises on lease to run its operation and records a provision for decommission costs to be incurred for the restoration of these premises at the end of the lease period. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as an interest expense. The estimated future costs of decommissioning and interest rate are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation arising from the past event, that may, but probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed in the financial statements unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(k) Investment in subsidiaries

Investments in subsidiaries are carried at cost/ deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the Statement of profit and loss.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (three months or less from the date of acquisition) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

1.3. MATERIAL ACCOUNTING POLICIES (Continued)

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(n) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

(o) Share based payments

In respect of stock options granted pursuant to the Company's Employee Stock Option Scheme, the Company recognises employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

(p) Corporate social responsibility (CSR)

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

(q) Recent pronouncements

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
as at 31 March 2024

2(a) Property, plant and equipment

(Amounts in ₹ million)

| | Computer & Peripherals | Electrical fittings | Furniture & Fixtures | Office Equipments | Vehicles | Leasehold Improvements | Total |
|---|------------------------|---------------------|----------------------|-------------------|-------------|------------------------|---------------|
| Gross carrying amount as at 1 April 2022 | 130.13 | 13.40 | 10.97 | 19.40 | 1.63 | 37.20 | 212.73 |
| Additions | 49.60 | - | 21.23 | 18.83 | - | 107.87 | 197.53 |
| Disposals / Adjustments | - | (13.40) | - | (9.82) | - | - | (23.22) |
| Gross carrying amount as at 31 March 2023 | 179.73 | - | 32.20 | 28.41 | 1.63 | 145.07 | 387.04 |
| Additions | 12.78 | - | 0.34 | 2.17 | - | 6.97 | 22.26 |
| Disposals / Adjustments | (0.23) | - | - | - | - | - | (0.23) |
| Gross carrying amount as at 31 March 2024 | 192.28 | - | 32.54 | 30.58 | 1.63 | 152.04 | 409.07 |
| Accumulated depreciation as at 1 April 2022 | 31.10 | 0.07 | 0.33 | 1.00 | 0.25 | 0.36 | 33.11 |
| Additions | 42.37 | - | 1.95 | 3.45 | 0.25 | 9.53 | 57.55 |
| Disposals / Adjustments | (0.04) | (0.07) | - | (0.09) | - | - | (0.20) |
| Accumulated depreciation as at 31 March 2023 | 73.43 | - | 2.28 | 4.36 | 0.50 | 9.89 | 90.46 |
| Additions | 43.50 | - | 3.34 | 6.01 | 0.25 | 18.36 | 71.46 |
| Disposals / Adjustments | - | - | - | - | - | - | - |
| Accumulated depreciation as at 31 March 2024 | 116.93 | - | 5.62 | 10.37 | 0.75 | 28.25 | 161.92 |
| Net carrying amount as at 31 March 2023 | 106.30 | - | 29.92 | 24.05 | 1.13 | 135.18 | 296.58 |
| Net carrying amount as at 31 March 2024 | 75.35 | - | 26.92 | 20.21 | 0.88 | 123.79 | 247.15 |

2(b) Other Intangible assets

(Amounts in ₹ million)

| | Software licenses | Total |
|---|-------------------|--------------|
| Gross carrying amount as at 1 April 2022 | 6.97 | 6.97 |
| Additions | 11.33 | 11.33 |
| Disposals / Adjustments | - | - |
| Gross carrying amount as at 31 March 2023 | 18.30 | 18.30 |
| Additions | 0.68 | 0.68 |
| Disposals / Adjustments | - | - |
| Gross carrying amount as at 31 March 2024 | 18.98 | 18.98 |
| Accumulated amortisation as at 1 April 2022 | 2.07 | 2.07 |
| Additions | 3.32 | 3.32 |
| Disposals / Adjustments | - | - |
| Accumulated amortisation as at 31 March 2023 | 5.40 | 5.40 |
| Addition | 5.82 | 5.82 |
| Disposals / Adjustments | - | - |
| Accumulated amortisation as at 31 March 2024 | 11.22 | 11.22 |
| Net carrying amount as at 31 March 2023 | 12.90 | 12.90 |
| Net carrying amount as at 31 March 2024 | 7.76 | 7.76 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

2.1 Right-of-use assets

The Company primarily has leased rental office premises across multiple locations. The leases typically run for a period of 3 to 9 years, with an option to renew the lease after that date.

(Amounts in ₹ million)

| | Buildings | Motor vehicles | Total |
|---|------------------|-----------------------|---------------|
| Gross carrying amount as at 1 April 2022 | 288.19 | 2.94 | 291.13 |
| Additions | 166.10 | - | 166.10 |
| Disposals | - | - | - |
| Gross carrying amount as at 31 March 2023 | 454.29 | 2.94 | 457.23 |
| Additions | 6.12 | - | 6.12 |
| Disposals | - | - | - |
| Gross carrying amount as at 31 March 2024 | 460.41 | 2.94 | 463.35 |
| Accumulated amortisation as at 1 April 2022 | 19.74 | 0.32 | 20.06 |
| Additions | 51.54 | 0.98 | 52.52 |
| Disposals | - | - | - |
| Accumulated amortisation as at 31 March 2023 | 71.28 | 1.30 | 72.58 |
| Additions | 60.43 | 0.99 | 61.42 |
| Disposals | - | - | - |
| Accumulated amortisation as at 31 March 2024 | 131.71 | 2.29 | 134.00 |
| Net carrying amount as at 31 March 2023 | 383.01 | 1.64 | 384.65 |
| Net carrying amount as at 31 March 2024 | 328.70 | 0.65 | 329.35 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

(Amounts in ₹ million)

| | Face Value | 31 March 2024 | | 31 March 2023 | |
|--|----------------------------|---------------|---------------|----------------------|----------------------|
| | | Numbers | Amount | Numbers | Amount |
| 3 Non-current investments | | | | | |
| A Investments carried at cost | | | | | |
| <i>Investments in equity instruments fully paid up (unquoted)</i> | | | | | |
| In wholly owned subsidiary companies : | | | | | |
| Infrasoft Technologies Inc | (Shares at par value) | 400 | 27.49 | 400 | 27.49 |
| Infrasoft Technologies Limited (UK) | (Shares of GBP 1 each) | 1,40,000 | 11.26 | 1,40,000 | 11.26 |
| Infrasoft Technologies FZ-L.L.C. | (Shares of AED 1,000 each) | 125 | 1.52 | 125 | 1.52 |
| Infrasoft Technologies Pte. Limited | (Shares of SGD 1 each) | 6,50,986 | 17.53 | 6,50,986 | 17.53 |
| Infrasoft Technologies (Jersey) Limited | (Shares of GBP 1 each) | 100 | 80.53 | 100 | 80.53 |
| Infrasoft Tecnologies SDN. BHD | (Shares of MYR 1 each) | 80,100 | 1.00 | 80,100 | 1.00 |
| InfrasoftTech Canada Limited | (Shares of CAD 1 each) | 100 | 0.01 | 100 | 0.01 |
| Sub-total (A) | | | 139.34 | | 139.34 |
| B Investments carried at fair value through OCI | | | | | |
| <i>Investments in equity instruments, fully paid up (unquoted)</i> | | | | | |
| Thane Janata Sahakari Bank Limited | (Shares of Rs. 50 each) | - | - | 1,001 | 0.05 |
| Sub-total (B) | | | - | | 0.05 |
| Total non-current investments (A+B) | | | 139.34 | | 139.39 |
| Aggregate value of unquoted investments | | | 139.34 | | 139.39 |
| | | | | | |
| 4 Other non-current financial assets | | | | 31 March 2024 | 31 March 2023 |
| <i>(Unsecured, considered good)</i> | | | | | |
| Security deposits | | | | 27.44 | 28.50 |
| Deposits held as margin money against guarantees with banks (maturity of more than 12 months from the reporting date) [refer note (a) below] | | | | 59.43 | 52.18 |
| | | | | 86.87 | 80.68 |
| <i>(Unsecured, credit impaired)</i> | | | | | |
| Security deposits | | | | 0.60 | 0.60 |
| Less: Allowance for credit impaired balances | | | | (0.60) | (0.60) |
| | | | | - | - |
| | | | | 86.87 | 80.68 |
| Note (a): Lien against bank guarantee Rs. 59.18 million (31 March 2023: Rs.52.18 million) | | | | | |
| 5(a) Income tax assets (net) | | | | | |
| Advance tax and TDS * | | | | 287.12 | 229.45 |
| (Net of provision for tax : 31 March 2024 - Rs 393.92 million, 31 March 2023 - Rs 411.98 million) | | | | 287.12 | 229.45 |
| <i>*Income tax paid under protest is of Rs 17.23 million (31 March 2023 Rs.22.72 million)</i> | | | | | |
| 5(b) Current tax liabilities (net) | | | | | |
| Provision for tax (Net advance tax: 31 March 2024 - Rs 209.49 million, 31 March 2023: Rs. 115.80 million) | | | | 7.71 | 7.06 |
| | | | | 7.71 | 7.06 |
| 6 Other non-current assets | | | | | |
| Deferred contract cost: (refer note 24(d)) | | | | | |
| - Cost of obtaining contracts | | | | 9.47 | - |
| - Cost of fulfilment of contracts | | | | 50.97 | 16.17 |
| Prepaid expenses | | | | 2.12 | 4.28 |
| | | | | 62.56 | 20.45 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued) as at 31 March 2024

| 7 | Current investments | 31 March 2024 | | (Amounts in ₹ million) | | |
|---|---|---------------|--------|------------------------|---------|--------|
| | | Numbers | Amount | 31 March 2023 | Numbers | Amount |
| | Investments carried at fair value through profit & loss | | | | | |
| | Investments in mutual funds (quoted) | | | | | |
| | IDFC Government Securities Fund - Investment Plan - Growth - Regular Plan* | 6,88,292.83 | 22.20 | 6,88,292.83 | | 20.30 |
| | HDFC Credit Risk Debt Fund - Regular Plan - Growth * | 7,22,011.23 | 15.73 | 7,22,011.23 | | 14.63 |
| | | | 37.93 | | | 34.93 |
| | *Lien against bank guarantee of Rs. 20.85 million (31 March 2023 Rs. 20.85 million) | | | | | |
| | Aggregate value of quoted investments | | 37.93 | | | 34.93 |

| 8 | Trade Receivables | 31 March 2024 | 31 March 2023 |
|---|---|---------------|---------------|
| | Unsecured, considered good | | |
| | Billed - others | 288.54 | 216.13 |
| | Billed - related Parties (refer note 32) | 4.97 | - |
| | Unbilled - others | 208.34 | 176.92 |
| | Unbilled - related parties (refer note 32) | 382.51 | 291.53 |
| | | <u>884.36</u> | <u>684.58</u> |
| | Unsecured, credit impaired (Refer note (a) below) | | |
| | Billed - others | 25.15 | 46.07 |
| | Less: Allowance for credit impaired receivables | (25.15) | (46.07) |
| | | <u>-</u> | <u>-</u> |
| | Unbilled - Others | 0.53 | - |
| | Less: Allowance for credit impaired balances | (0.53) | - |
| | | <u>-</u> | <u>-</u> |
| | Unbilled - related parties (refer note 32) | 155.85 | 86.91 |
| | Less: Allowance for credit impaired balances | (155.85) | (86.91) |
| | | <u>-</u> | <u>-</u> |
| | | <u>884.36</u> | <u>684.58</u> |

Note (a): The Company's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 34.

The trade receivables ageing schedule as at 31 March 2024 and 31 March 2023 is as follows:

| Ageing schedule as at 31 March 2024 | Outstanding for following periods from due date of payment | | | | | | Total |
|---|--|--------------------|-------------------|-----------|-----------|-------------------|----------|
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables- considered good | 194.06 | 72.14 | 9.48 | 17.06 | - | 0.77 | 293.51 |
| (ii) Undisputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | 4.10 | 3.21 | 3.20 | 3.26 | 2.47 | 8.91 | 25.15 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- credit impaired | - | - | - | - | - | - | - |
| | 198.16 | 75.35 | 12.68 | 20.32 | 2.47 | 9.68 | 318.66 |
| Less: Allowance for credit impaired receivables (refer note 34) | | | | | | | (25.15) |
| | | | | | | | 293.51 |
| (vii) Unbilled dues (refer note 34) | | | | | | | 747.23 |
| Less: Allowance for credit impaired Unbilled dues | | | | | | | (156.38) |
| | | | | | | | 884.36 |
| Ageing schedule as at 31 March 2023 | Outstanding for following periods from due date of payment | | | | | | Total |
| | Not due | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables- considered good | 104.89 | 70.81 | 37.24 | - | - | 3.19 | 216.13 |
| (ii) Undisputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | 5.70 | 5.95 | 23.41 | 3.28 | 1.19 | 6.54 | 46.07 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- credit impaired | - | - | - | - | - | - | - |
| | 110.59 | 76.76 | 60.65 | 3.28 | 1.19 | 9.73 | 262.20 |
| Less: Allowance for credit impaired receivables (Refer Note 34) | | | | | | | (46.07) |
| | | | | | | | 216.13 |
| (vii) Unbilled dues | | | | | | | 555.36 |
| Less: Allowance for credit impaired Unbilled dues (Refer Note 34) | | | | | | | (86.91) |
| | | | | | | | 684.58 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued) as at 31 March 2024

(Amounts in ₹ million)

31 March 2024 31 March 2023

9 Cash and cash equivalents

Cash on hand*
Balances with banks
- On current account

-
168.17

39.50

39.50 168.17

* Amount is below rounding off limits

10 Bank balances other than cash and cash equivalents

On current account (unclaimed dividend)
Deposits with original maturity of upto 3 months *
Deposits with banks with original maturity of more than three months but less than twelve months *

0.15
10.00
81.20

-

84.87 91.35

* Lien against bank guarantees of Rs. 83.70 million (31 March 2023 Rs. 91.20 million)

11 Other current financial assets

Unsecured, considered good
Security deposits
Interest receivable
Receivable from subsidiaries (refer note 32)

10.11
3.22
2.26

14.38

5.66

2.59 15.59

12 Other current assets

Unsecured, considered good
Contract assets - others
Contract assets - related parties (refer note 34)
Deferred contract cost (refer note 24(d))
Cost of obtaining contracts
Cost of fulfilment of contracts
Prepaid expenses
Advances to suppliers
Employee advances
Goods and service tax input tax credit receivable

410.46
508.16

309.25

746.17

10.61

6.48

54.54

6.56

3.12

15.34

30.13

1,015.27

1,204.59

Unsecured, credit impaired
Contract assets - others (refer note 34)
Less: Allowance for credit impaired balances

20.28
(20.28)

100.63

(100.63)

-

-

Contract assets - related parties (refer note 34)
Less: Allowance for credit impaired balances

63.87
(63.87)

149.45

(149.45)

-

-

1,015.27

1,204.59

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

(Amounts in ₹ million)

13 Equity Share capital

31 March 2024 31 March 2023

Authorised:

11,000,000 Equity Shares of Rs. 10 each
(31 March 2023: 11,000,000 Equity Shares of Rs. 10 each)

110.00 110.00

110.00 110.00

Issued, subscribed and fully paid-up:

7,641,585 Equity Shares of Rs. 10 each
(31 March 2023: 7,641,585 Equity Shares of Rs. 10 each)

76.42 76.42

76.42 76.42

Footnotes:

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

| | 31 March 2024 | | 31 March 2023 | |
|--|------------------|--------------|------------------|--------------|
| | Number | Amount | Number | Amount |
| Equity shares of Rs. 10 each fully paid up | | | | |
| Equity shares outstanding at the beginning of the year | 76,41,585 | 76.42 | 76,41,585 | 76.42 |
| Movement during the year | - | - | - | - |
| Equity shares outstanding at the end of the year | <u>76,41,585</u> | <u>76.42</u> | <u>76,41,585</u> | <u>76.42</u> |

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

| | 31 March 2024 | | 31 March 2023 | |
|---|------------------|---------------|------------------|---------------|
| | Number | % of holding | Number | % of holding |
| Equity shares of Rs. 10 each fully paid up | | | | |
| Baring India Private Equity Fund II | 44,48,008 | 58.21% | 44,48,008 | 58.21% |
| Batlivala and Karani Securities India Private Limited | 7,06,250 | 9.24% | 7,06,250 | 9.24% |
| Rashmi Agarwal | 4,65,000 | 6.09% | 4,65,000 | 6.09% |
| Rajesh Mirjankar | 4,17,893 | 5.47% | 4,17,893 | 5.47% |
| Maninder Mahabir Singh | 4,14,101 | 5.42% | 4,14,101 | 5.42% |
| Manoj Murarka | 3,97,956 | 5.21% | 3,97,956 | 5.21% |
| | <u>68,49,208</u> | <u>89.63%</u> | <u>68,49,208</u> | <u>89.63%</u> |

(c) Details of shareholders holding of promoters:

| | 31 March 2024 | | | 31 March 2023 | | |
|---|------------------|-------------------|--------------------------|------------------|-------------------|--------------------------|
| | Number of shares | % of total shares | % change during the year | Number of shares | % of total shares | % change during the year |
| Equity share of Rs.10 each fully paid up | | | | | | |
| Shaina Rahul Agarwal | 15,000 | 0.20% | - | 15,000 | 0.20% | - |
| Priya Agarwal | 50,000 | 0.65% | - | 50,000 | 0.65% | - |
| Jai Rahul Agarwal | 66,707 | 0.87% | - | 66,707 | 0.87% | - |
| Rohit Agarwal | 1,50,000 | 1.96% | - | 1,50,000 | 1.96% | - |
| Global Fintech Private Limited | 3,50,000 | 4.58% | - | 3,50,000 | 4.58% | - |
| Manoj Murarka | 3,97,956 | 5.21% | - | 3,97,956 | 5.21% | - |
| Maninder Mahabir Singh | 4,14,101 | 5.42% | - | 4,14,101 | 5.42% | - |
| Rajesh Mirjankar | 4,17,893 | 5.47% | - | 4,17,893 | 5.47% | - |
| Rashmi Agarwal | 4,65,000 | 6.09% | - | 4,65,000 | 6.09% | - |
| Batlivala and Karani Securities India Private Limited | 7,06,250 | 9.24% | - | 7,06,250 | 9.24% | - |
| | <u>30,32,907</u> | <u>39.69%</u> | | <u>30,32,907</u> | <u>39.69%</u> | |

(d) There were no bonus shares issued, shares issued for consideration other than cash and shares bought back by the Company in the earlier years.

(e) Details of rights, preferences and restrictions attached to the equity shareholders:

The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Shareholders have all other rights available to equity shareholders as per the provision of Companies Act, 2013 read together with Memorandum of Association and Articles of Association of the Company, as applicable.

(f) Employee Stock Option Scheme

The Company had reserved issuance of 96,500 (31 March 2023: 96,500) equity shares of Rs.10 each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (refer note 31.2)

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

(Amounts in ₹ million)

14 Other equity

| | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| A. Movement in reserves and surplus | | |
| Reserves and surplus consist of : | | |
| i) Retained Earnings (refer note C(a) given below) | 2,068.27 | 2,034.79 |
| ii) Securities premium (refer note C(b) given below) | 28.50 | 28.50 |
| iii) Capital Redemption Reserve (refer note C(c) given below) | 7.15 | 7.15 |
| iv) General Reserve (refer note C(d) given below) | 65.10 | 65.10 |
| v) Other comprehensive Income (refer note C(e) given below) | (18.14) | (21.10) |
| Total (A) | 2,150.88 | 2,114.44 |
| i) Retained earnings | | |
| Opening balance | 2,034.79 | 1,689.91 |
| Add: Profit for the year | 90.79 | 497.71 |
| Less: Interim dividend | (57.31) | (152.83) |
| Closing balance | 2,068.27 | 2,034.79 |
| ii) Securities premium | | |
| Opening balance | 28.50 | 28.50 |
| Add: Additions during the year | - | - |
| Closing balance | 28.50 | 28.50 |
| iii) Capital redemption reserve | | |
| Opening balance | 7.15 | 7.15 |
| Add: Additions during the year | - | - |
| Closing balance | 7.15 | 7.15 |
| iv) General reserve | | |
| Opening balance | 65.10 | 65.10 |
| Add: Additions during the year | - | - |
| Closing balance | 65.10 | 65.10 |
| B. Movement in Other items of OCI | | |
| Remeasurements of the defined benefit plans | | |
| Opening balance | (21.10) | (6.53) |
| Add: Additions during the year | 2.96 | (14.57) |
| Closing balance (B) | (18.14) | (21.10) |
| Total Other equity (A) + (B) | 2,150.88 | 2,114.44 |

C. Nature and purpose of reserves

- (a) Retained earnings represent the amount of accumulated earnings of the Company.
- (b) Securities premium account is created on recording of premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013
- (c) Capital redemption reserve represents reserve created during buy back of equity shares and it is a non-distributable reserve.
- (d) General reserve is created from time to time by way of transfer of profits from Retained Earnings.
- (e) Remeasurements of the defined benefit plans - Comprises actuarial losses arising due to gratuity which is accumulated in Other comprehensive income and will not be reclassified to statement of profit and loss.

D. Dividends

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| The following dividends were declared and paid by the Company during the year: | | |
| Interim dividend Rs. 7.50 per equity share (31 March 2023: Rs.20 per equity share) | 57.31 | 152.83 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

(Amounts in ₹ million)
31 March 2024 31 March 2023

15 Lease liabilities

| | | |
|---|---------------|---------------|
| Non-current lease liabilities | 310.40 | 352.50 |
| Current lease liabilities | 46.95 | 42.98 |
| Total | 357.35 | 395.48 |
| <i>(a) Movement in lease liabilities</i> | | |
| Opening balance at the beginning of the year | 395.48 | 267.98 |
| Additions during the year | 5.91 | 158.08 |
| Finance cost accrued during the year (refer note 24) | 27.19 | 24.84 |
| Repayment of lease liabilities | (71.23) | (55.42) |
| Closing balance at the end of the year | 357.35 | 395.48 |
| <i>(b) Details of amounts recognised in the Statement of Profit and Loss:</i> | | |
| Finance cost on lease liabilities (refer note 24) | 27.19 | 24.84 |
| Expenses relating to short term leases (refer note 26) | 21.45 | 15.05 |
| <i>(c) Details of amounts recognised in the Statement of cash flow:</i> | | |
| Total cash outflow of leases | 71.23 | 55.42 |
| <i>d) Maturity analysis of undiscounted lease liabilities:</i> | | |
| Less than 1 year | 70.81 | 69.86 |
| 1-2 Year | 62.82 | 68.63 |
| 2-3 Year | 61.97 | 60.64 |
| 3-4 Year | 63.80 | 61.06 |
| 4-5 Year | 66.68 | 63.80 |
| Over 5 years | 125.63 | 192.30 |
| | 451.71 | 516.29 |

16 Provisions- non current

| | | |
|--|-------|------|
| Provision for employee benefits | | |
| Gratuity (refer note 31.1) | 17.35 | 5.89 |
| Other Provisions | | |
| Provision for site restoration costs * | 3.06 | 2.85 |
| | 20.41 | 8.74 |
| <i>* Movement of Provision for site restoration costs:</i> | | |
| Opening balance at the beginning of the year | 2.85 | 1.46 |
| Add: Provision made during the year | - | 1.23 |
| Add: Unwinding of discount (refer note 24) | 0.21 | 0.16 |
| Closing balance at the end of the year | 3.06 | 2.85 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

(Amounts in ₹ million)
31 March 2024 31 March 2023

17 Trade payables

| | | |
|--|--------|--------|
| Total outstanding dues of micro enterprises and small enterprises | 21.52 | 2.34 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 210.03 | 104.92 |

Total

Note: Information about the Company's exposure to foreign currency risk and liquidity risk is disclosed in Note 33.

The trade payables ageing schedule as at 31 March 2024 and 31 March 2023 is as follows:

| Ageing schedule as at 31 March 2024 | Accrued expenses | Outstanding for the following periods from the due date of payment | | | | Total |
|-------------------------------------|------------------|--|-------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed - MSME | - | 21.52 | - | - | - | 21.52 |
| (ii) Undisputed - Others | 82.13 | 121.98 | 2.13 | 2.35 | 1.44 | 210.03 |
| (iii) Disputed - MSME | - | - | - | - | - | - |
| (iv) Disputed - Others | - | - | - | - | - | - |
| Total | 82.13 | 143.50 | 2.13 | 2.35 | 1.44 | 231.55 |

| Ageing schedule as at 31 March 2023 | Accrued expenses | Outstanding for the following periods from the due date of payment | | | | Total |
|-------------------------------------|------------------|--|-------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed - MSME | - | 2.34 | - | - | - | 2.34 |
| (ii) Undisputed - Others | 76.80 | 21.98 | 3.81 | 1.97 | 0.36 | 104.92 |
| (iii) Disputed - MSME | - | - | - | - | - | - |
| (iv) Disputed - Others | - | - | - | - | - | - |
| Total | 76.80 | 24.32 | 3.81 | 1.97 | 0.36 | 107.26 |

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

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

| Particulars | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| The amount remaining unpaid to micro and small suppliers as at the end of the year | | |
| - Principal | 21.52 | 2.34 |
| - Interest | | |
| Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the accounting year. | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006 | - | - |
| Amount of interest accrued and remaining unpaid at the end of the accounting year | - | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006 | - | - |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

as at 31 March 2024

(Amounts in ₹ million)

31 March 2024 31 March 2023

18 Other current financial liabilities

| | | |
|---|---------------|---------------|
| Unclaimed dividend | 0.20 | 0.15 |
| Accrued employee costs | 133.72 | 120.74 |
| Payables towards capital expenditure other than micro enterprises and small enterprises | 3.13 | 1.67 |
| Payables towards cost of obtaining contracts | 45.47 | 23.29 |
| Payable to subsidiaries (refer note 32) | | |
| Repayable on demand | 25.64 | 31.99 |
| | 208.16 | 177.84 |

19 Other current liabilities

| | | |
|------------------------------|---------------|---------------|
| <i>Contract Liabilities-</i> | | |
| -Advances from customers | 11.33 | 22.10 |
| -Unearned revenue | 379.57 | 238.76 |
| Statutory dues payable | | |
| Tax deducted at source (TDS) | 48.53 | 28.70 |
| Goods and service tax | 24.35 | 14.10 |
| Provident fund | 11.02 | 10.74 |
| Employee state insurance | 0.01 | 0.01 |
| Profession tax | 0.26 | 0.25 |
| | 475.07 | 314.66 |

20 Provisions - current

| | | |
|--|--------------|--------------|
| Provision for employee benefits | | |
| Gratuity (refer note 31.1) | 45.10 | 44.14 |
| Compensated absences (refer note 31.1) | 39.88 | 39.42 |
| | 84.98 | 83.56 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

21 Revenue from operations

| | 31 March 2024 | 31 March 2023 |
|--------------------------------|-----------------|-----------------|
| Revenue from products | 2,345.11 | 2,580.25 |
| Revenue from software services | 673.62 | 647.09 |
| | <u>3,018.73</u> | <u>3,227.34</u> |

Out of the above Rs.1,097.61 million (31 March 2023: Rs. 1,203.88 million) pertain to software development income from related parties. (refer note 32).

Reconciliation of revenue recognised with the contracted price is as follows:

| | | |
|---------------------------------------|-----------------|-----------------|
| Contracted price | 3,038.57 | 3,246.89 |
| Less: Amortisation of contract assets | (19.84) | (19.55) |
| Revenue from operations | <u>3,018.73</u> | <u>3,227.34</u> |

a) Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by business segment and nature of contracts, geography and timing of revenue recognition. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors

Revenue by business segment and nature of contracts

| | | |
|-----------------------|-----------------|-----------------|
| Sale of products | 2,345.11 | 2,580.25 |
| Rendering of services | 673.62 | 647.09 |
| | <u>3,018.73</u> | <u>3,227.34</u> |

Revenue from contracts with customers disaggregated based on geography

| | | |
|----------|-----------------|-----------------|
| Domestic | 1,800.20 | 1,922.03 |
| Exports | 1,218.53 | 1,305.31 |
| | <u>3,018.73</u> | <u>3,227.34</u> |

Timing of revenue recognition

| | | |
|--|-----------------|-----------------|
| Sale and supply of product and services transferred over time | 2,923.14 | 3,205.57 |
| Sale and supply of product and services transferred at a point of time | 95.59 | 21.77 |
| | <u>3,018.73</u> | <u>3,227.34</u> |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

31 March 2024 31 March 2023

b) Trade receivables and contract balances:

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related services are performed. Revenue for fixed price maintenance and support services contracts is recognised on a straight line basis over the period of the contract.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers.

Revenues in excess of billings is recorded as unbilled receivables and is classified as a trade receivable when right to consideration is unconditional upon passage of time and as a contract asset (unbilled revenue) under non-financial assets when the contractual right to consideration is dependent on completion of contractual milestones.

Unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognised when rights become unconditional.

| | | |
|---|-----------------|----------|
| Unbilled revenue (contract assets) (refer note 12) | 1,305.50 | 1,002.77 |
| Unearned revenue (contract liability) (refer note 19) | 379.57 | 238.76 |
| Billed trade receivables (refer note 8) | 318.66 | 262.20 |
| Unbilled trade receivables (refer note 8) | 747.23 | 468.45 |

Changes in unbilled revenue during the year is as follows:

| | | |
|---------------------------------------|------------------------|-----------------|
| Balance at the beginning of the year | 1,002.77 | 327.83 |
| Invoiced during the year | (798.94) | (242.47) |
| Revenue recognised during the year | 1,101.67 | 917.41 |
| Balance at the end of the year | <u>1,305.50</u> | <u>1,002.77</u> |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

31 March 2024

31 March 2023

21 Revenue from operations (Continued)

Changes in unearned revenue during the year is as follows:

| | | |
|---------------------------------------|---------------|---------------|
| Balance at the beginning of the year | 238.76 | 251.32 |
| Revenue recognised during the year | (148.98) | (284.63) |
| Invoiced during the year | 289.79 | 272.07 |
| Balance at the end of the year | 379.57 | 238.76 |

c) Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc).

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 1,275.90 million out of which 69.07% is expected to be recognised as revenue in the next year and balance thereafter. No consideration from the contracts with customers is excluded from the amount mentioned above.

d) Deferred contract costs:

Changes in cost to fulfill a contract during the year is as follows:

| | | |
|--|--------------|--------------|
| Balance at the beginning of the year | 22.65 | 6.60 |
| Cost incurred during the year qualifying as cost to fulfill a contract | 29.90 | 22.38 |
| Amortised during the year | (1.09) | (6.33) |
| Balance at the end of the year | 51.46 | 22.65 |

Changes in cost to obtain a contract during the year is as follows:

Changes in cost of obtaining a contract

| | | |
|---|--------------|--------------|
| Balance at the beginning of the year | 10.61 | 8.05 |
| Cost incurred during the year qualifying as cost to obtain a contract | 29.55 | 22.11 |
| Amortised to revenue during the year | (19.84) | (19.55) |
| Balance at the end of the year | 20.32 | 10.61 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

31 March 2024

31 March 2023

22 Other income

Interest income on financial assets carried at amortised cost

| | | |
|--------------------|------|------|
| - On term deposits | 6.64 | 5.22 |
|--------------------|------|------|

Interest income on financial assets at FVTPL

| | | |
|------------------------|------|------|
| - On Security deposits | 1.24 | 1.03 |
|------------------------|------|------|

| | | |
|---|-------|--------|
| Dividend income from subsidiary companies | 67.25 | 117.65 |
|---|-------|--------|

Other non-operating income:

| | | |
|--|--------------|---------------|
| Net change in fair value of investments carried at FVTPL | 3.00 | - |
| Gain on sale of investments carried at FVTPL (net) | 0.23 | 14.16 |
| Gain on sale of Property, plant and equipment (net) | - | 0.18 |
| Interest on Income-tax refund | 7.66 | - |
| Liabilities no longer required, written back | 6.82 | 4.42 |
| Miscellaneous income | 0.59 | 0.14 |
| | <u>93.43</u> | <u>142.80</u> |

23 Employee benefits expense

| | | |
|---|-----------------|-----------------|
| Salaries, wages and incentives | 1,755.07 | 1,615.40 |
| Contribution to gratuity (refer note 31.1) | 16.45 | 11.21 |
| Contribution to provident and other funds (refer note 31.1) | 70.10 | 62.04 |
| Staff welfare expenses | 14.31 | 17.96 |
| | <u>1,855.93</u> | <u>1,706.61</u> |

24 Finance costs

| | | |
|---|--------------|--------------|
| Interest expense on lease liabilities | 27.19 | 24.84 |
| Unwinding of discount on site restoration provision | 0.21 | 0.16 |
| | <u>27.40</u> | <u>25.00</u> |

25 Depreciation and amortisation expenses

| | | |
|---|---------------|---------------|
| Depreciation of property, plant and equipment | 71.46 | 57.55 |
| Amortisation of other intangible assets | 5.82 | 3.32 |
| Amortisation on Right-of-use of assets | 61.42 | 52.52 |
| | <u>138.70</u> | <u>113.39</u> |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| 26 Other expenses | | |
| Software development and maintenance services | 348.88 | 281.94 |
| Manpower cost | 22.45 | 32.29 |
| Computer hardware | 8.22 | 6.92 |
| Power and fuel | 22.96 | 13.80 |
| Short term leases (refer note 15) | 21.45 | 15.05 |
| Repairs and maintenance - others | 0.72 | 2.97 |
| Insurance | 23.71 | 20.08 |
| Payments to auditors (refer note 28) | 6.39 | 6.07 |
| Travelling and conveyance | 173.41 | 221.42 |
| Communication expenses | 8.36 | 7.67 |
| Business promotion | 18.41 | 19.47 |
| Legal and professional fees | 16.71 | 11.20 |
| Directors advisory fees | 3.00 | 3.00 |
| Upkeeping and maintenance | 20.75 | 17.16 |
| Expenditure on corporate social responsibility ('CSR') (refer note 38) | 11.65 | 11.54 |
| Impairment loss recognised under expected credit loss model | 214.48 | 114.64 |
| Computer consumables | 39.60 | 44.67 |
| Unbilled revenue written off | 5.95 | 1.63 |
| Rates and taxes | 1.08 | 4.44 |
| Recruitment expenses | 13.04 | 19.23 |
| Net change in fair value of investments carried at FVTPL | - | 5.59 |
| Loss on foreign currency transaction (net) | 3.36 | 0.71 |
| Miscellaneous expenses | 6.46 | 9.15 |
| | 991.04 | 870.64 |
| 27 Earning per share ('EPS') | | |
| Profit for the year attributable to the owners of the Company (Amounts in ₹ million) | 90.79 | 483.14 |
| Weighted average number of equity shares outstanding at year end (Nos. in million) | 7.64 | 7.64 |
| Basic earnings per share | 11.88 | 63.22 |
| Profit for the year attributable to shareholders of the Company (Amounts in ₹ million) | 90.79 | 483.14 |
| Weighted average number of equity shares outstanding at year end | 7.64 | 7.64 |
| Add: Effect of share options | 0.00 | 0.01 |
| Weighted average number of equity shares outstanding at year end (diluted)(Nos. in million) | 7.64 | 7.65 |
| Diluted earnings per share | 11.88 | 63.12 |
| Face value per equity share (in Rs.) | 10.00 | 10.00 |
| 28 Payment to auditors (excluding GST) | | |
| As auditor | 5.13 | 5.13 |
| For other services | 0.97 | 0.73 |
| For out of pocket expenses | 0.29 | 0.21 |
| | 6.39 | 6.07 |

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

29 Income taxes

A) Income tax recognised in Statement of Profit and Loss

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Current tax | | |
| Current year | 76.07 | 44.03 |
| Changes in estimates related to prior years | 0.26 | (2.73) |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | (68.03) | 115.49 |
| Total | 8.30 | 156.79 |

B) Income tax recognised in other comprehensive income

| | Before tax | 31 March 2024 Tax (expense)/ benefit | Net of tax | Before tax | 31 March 2023 Tax (expense)/ benefit | Net of tax |
|--|------------|--|------------|------------|--|------------|
| Items that will not be reclassified subsequently to statement of profit or loss | | | | | | |
| Remeasurements of defined benefit plans | 3.96 | (1.00) | 2.96 | (19.47) | 4.90 | (14.57) |

C) Reconciliation of effective tax rate

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Profit before tax | 99.09 | 654.50 |
| Tax using the Company's domestic tax rate of 25.168% (both years) | 24.94 | 164.72 |
| Tax effect of: | | |
| Expenses not deductible for tax purposes | 2.93 | 2.90 |
| Changes in estimates related to prior years | 0.26 | (2.73) |
| Deduction under section 80M of Income Tax Act, 1961 | (14.42) | (29.61) |
| Previously recognised deferred tax assets written off | (5.95) | 21.19 |
| Others | 0.54 | 0.31 |
| Total income tax expense | 8.29 | 156.79 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

30 Deferred tax

A) Recognised deferred tax assets and liabilities

| | As at 31 March 2024 | As at 31 March 2023 |
|--|------------------------|------------------------|
| Intangible assets | 2.16 | 2.92 |
| Allowance for credit impaired balances | 108.49 | 54.65 |
| Provisions - employee benefits | 55.02 | 50.37 |
| Unbilled Revenue | 8.19 | 6.75 |
| Others | 2.99 | 3.21 |
| Leases | 89.94 | 99.53 |
| Deferred tax assets | 266.79 | 217.43 |
| Property, plant and equipment | 1.10 | 5.61 |
| Investments at fair value through profit or loss | 4.30 | 3.54 |
| Right-of-Use assets | 82.89 | 96.81 |
| Deferred tax liabilities | 88.29 | 105.96 |
| Deferred tax assets (net) | 178.50 | 111.47 |

B) Movement in temporary differences

| | Opening balance 1 April 2023 | Recognised in profit or loss | Recognised in OCI | Closing Balance 31 March 2024 |
|--|---------------------------------|---------------------------------|----------------------|----------------------------------|
| Intangible assets | 2.92 | (0.76) | - | 2.16 |
| Allowance for credit impaired balances | 54.65 | 53.84 | - | 108.49 |
| Provisions - employee benefits | 50.37 | 5.65 | (1.00) | 55.02 |
| Unbilled Revenue | 6.75 | 1.44 | - | 8.19 |
| Leases | 99.53 | (9.59) | - | 89.94 |
| Others | 3.21 | (0.22) | - | 2.99 |
| Deferred tax assets | 217.43 | 50.36 | (1.00) | 266.79 |
| Property, plant and equipment | 5.61 | (4.51) | - | 1.10 |
| Investments at fair value through profit or loss | 3.54 | 0.76 | - | 4.30 |
| Right-of-Use assets | 96.81 | (13.92) | - | 82.89 |
| Deferred tax liabilities | 105.96 | (17.67) | - | 88.29 |
| Deferred tax assets (net) | 111.47 | 68.03 | (1.00) | 178.50 |

| | Opening balance 1 April 2022 | Recognised in profit or loss | Recognised in OCI | Closing Balance 31 March 2023 |
|--|---------------------------------|---------------------------------|----------------------|----------------------------------|
| Intangible assets | 3.81 | (0.89) | - | 2.92 |
| Allowance for credit impaired balances | 25.80 | 28.85 | - | 54.65 |
| Provisions - employee benefits | 20.09 | 25.38 | 4.90 | 50.37 |
| Unbilled Revenue | 179.93 | (173.18) | - | 6.75 |
| Leases | 67.45 | 32.08 | - | 99.53 |
| Others | 2.17 | 1.04 | - | 3.21 |
| Deferred tax assets | 299.26 | (86.72) | 4.90 | 217.43 |
| Property, plant and equipment | 3.16 | 2.44 | - | 5.61 |
| Investments at fair value through profit or loss | 4.95 | (1.40) | - | 3.54 |
| Right-of-Use assets | 68.22 | 28.59 | - | 96.81 |
| Capitalised contract costs | 0.85 | (0.85) | - | - |
| Deferred tax liabilities | 77.18 | 28.78 | - | 105.96 |
| Deferred tax assets (net) | 222.08 | (115.49) | 4.90 | 111.47 |

Ministry of Corporate Affairs (“MCA”), under the Companies (Indian Accounting Standards) Amendment Rules, 2023, issued an amendment to Ind AS 12 Income Taxes related Assets and Liabilities arising from a Single Transaction such as leases and decommissioning obligations. This amendment is effective from the beginning of comparative period presented i.e. 1 April 2022. There is a change in Deferred tax component disclosure from net to gross for right to use assets and lease liabilities for the Company. There is no impact on opening retained earnings or statement of profit and loss for the year ended 31 March 2024. Accordingly, the opening and closing balances of deferred tax assets and deferred tax liabilities have been restated as 31 March 2023 and 2022.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

31.1 Employee benefits

(a) Gratuity benefits

In accordance with the Indian law, the Company provides for gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to employees who have rendered atleast five years of continuous service at retirement, death while in employment or on termination of employment in an amount equivalent to 15 days of salary payable for each completed year of service subject to a maximum payment of Rs. 2 million. The Company provides gratuity benefit through annual contributions to fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company. The present value of the defined benefit obligation and the related current service cost were measured using the "projected unit credit method", with actuarial valuation being carried out at each Balance Sheet date by a qualified actuary.

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Amount to be recognised in Balance Sheet | | |
| Present value of defined benefit obligation | 100.15 | 94.87 |
| Fair value of plan assets | (37.70) | (44.83) |
| Net Liability | 62.45 | 50.04 |
| Amounts in the Balance Sheet: | | |
| Liabilities | | |
| Current | 45.10 | 44.14 |
| Non-current | 17.35 | 5.89 |
| Present Value of defined benefit obligation | | |
| Projected benefit obligation at the beginning of the year | 94.87 | 67.32 |
| Current service cost | 12.80 | 9.96 |
| Interest cost | 6.92 | 3.81 |
| Benefits paid | (10.27) | (6.23) |
| Actuarial (gain)/losses | (4.17) | 20.01 |
| Projected benefit obligation at the end of the year (A) | 100.15 | 94.87 |
| Fair Value of plan asset | | |
| Fair Value of plan assets at beginning of the year | 44.83 | 45.17 |
| Expected return | 3.27 | 2.56 |
| Contributions by employer | 0.08 | 2.79 |
| Benefits paid | (10.27) | (6.23) |
| Actuarial gain/(losses) | (0.21) | 0.54 |
| Fair Value of plan assets at end of the year (B) | 37.70 | 44.83 |
| Amount recognised in Balance Sheet (A) - (B) | 62.45 | 50.04 |
| Included in OCI | | |
| Opening amount recognised in OCI | 28.19 | 8.72 |
| Financial assumptions | 0.39 | (4.83) |
| Experience adjustment | (4.56) | 24.84 |
| Return on plan assets excluding interest income | 0.21 | (0.54) |
| | 24.23 | 28.19 |
| Expense recognised in Statement of Profit and Loss | | |
| Current service cost | 12.80 | 9.96 |
| Interest cost | 6.92 | 3.81 |
| Expected return on plan assets | (3.27) | (2.56) |
| Total included in "Employee benefits expense" (refer note 23) | 16.45 | 11.21 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

31.1 Employee benefits (Continued)

| Return on plan assets | 31 March 2024 | 31 March 2023 |
|--------------------------------|---------------|---------------|
| Expected return on plan assets | (3.27) | (2.56) |
| Actuarial gains | (0.21) | 0.54 |
| Actual return on plan assets | (3.48) | (2.01) |

The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation. Expected contributions to the fund during the year ended 31 March 2024 is Rs. 45.10 million (31 March 2023: Rs.44.13 million)

| Category of Assets | | |
|--------------------|------|------|
| Insurance fund | 100% | 100% |

The principal assumptions used in determining the gratuity benefit are shown below:

| | | |
|--|------------|------------|
| Salary escalation rate | 8.00% | 8.00% |
| Expected rate of return on plan assets | 7.16% p.a. | 7.29% p.a. |
| Discount rate | 7.16% p.a. | 7.29% p.a. |

The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the long term yield on government bonds. Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Defined Benefit Obligation on current assumptions | 100.15 | 94.87 |
| + 1% change in discount rate | (2.93) | (2.69) |
| - 1% change in discount rate | 3.15 | 2.89 |
| + 1% change in salary escalation rate | 2.89 | 2.66 |
| - 1% change in salary escalation rate | (2.79) | (2.56) |

The Defined Benefit Obligation shall mature after year ended 31 March 2024 as follows -

| Year Ending March 31 | |
|----------------------|-------|
| 2025 | 21.35 |
| 2026 | 18.48 |
| 2027 | 15.77 |
| 2028 | 14.31 |
| 2029 | 12.14 |
| Thereafter | 47.19 |

(b) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue and the amount recognised as an expense towards contribution. The Company recognised a charge of Rs. 70.10 million to the Statement of Profit and Loss during the year ended 31 March 2024 (31 March 2023: Rs. 62.04 million) towards defined contribution plan.

(c) Compensated absences

Compensated absences as at the Balance sheet date, determined on the basis of actuarial valuation based on the "projected unit credit method" is as below:

| Provisions | 31 March 2024 | 31 March 2023 |
|------------|---------------|---------------|
| Current | 39.88 | 39.42 |

The principal assumptions used in determining the compensated absences are shown below:

| | | |
|------------------------|------------|------------|
| Salary escalation rate | 8.00% | 8.00% |
| Discount rate | 7.16% p.a. | 7.29% p.a. |

The Company recognised a charge of compensated absences of Rs. 5.31 million (31 March 2023: Rs. 14.16 million) under "employee benefits expense" in the Statement of Profit and Loss.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

31.2 Employee Stock Option Scheme

Employee Stock Option Scheme 2011 ('ESOP Scheme 2011')

The Company instituted the ESOP 2011 Scheme under which 268,000 stock options have been allocated for a grant to employees. The Scheme was approved by the shareholders of the Company to grant maximum 275,000 stock options at the Extra Ordinary General Meeting held on 11 February 2011. These options vest over a period of four years from the date of the grant & the employees will be allotted with shares of the company post exercising the options.

The vesting period shall be as follows:

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

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

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

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

The below table represents status of the Scheme as at 31 March 2024 and 31 March 2023:

| Particulars | 31 March 2024 | | |
|---|---------------|----------------|------------|
| | No of shares | Exercise price | Fair value |
| Outstanding at the beginning of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the beginning of the year Tranche II | 69,500 | 361 | 361 |
| Granted | - | - | - |
| Exercised | - | - | - |
| Forfeited | - | - | - |
| Lapsed - Tranche I | - | - | - |
| Lapsed - Tranche II | - | - | - |
| Outstanding at the end of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the end of the year Tranche II | 69,500 | 361 | 361 |
| Exercised at the end of the year | - | - | - |

| Particulars | 31 March 2023 | | |
|---|---------------|----------------|------------|
| | No of shares | Exercise price | Fair value |
| Outstanding at the beginning of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the beginning of the year Tranche II | 69,500 | 361 | 361 |
| Granted | - | - | - |
| Exercised | - | - | - |
| Forfeited | - | - | - |
| Lapsed - Tranche I | - | - | - |
| Lapsed - Tranche II | - | - | - |
| Outstanding at the end of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the end of the year Tranche II | 69,500 | 361 | 361 |
| Exercised at the end of the year | - | - | - |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

32 Related party transactions

Disclosures as required by the Ind AS 24 "Related Party Disclosures" are given below:

A) List of related parties

(a) Wholly owned subsidiaries

Infrasoft Technologies FZ LLC
Infrasoft Technologies (Jersey) Limited
Infrasoft Technologies Guernsey Limited
Infrasoft Technologies Limited (UK)
Infrasoft Technologies Inc.
InfrasoftTech Canada Limited
Infrasoft Technologies Pte. Limited
Infrasoft Technologies SDN BHD.

(b) Key management personnel ('KMP')

Rajesh Satish Mirjankar - Chief Executive Officer ('CEO') and Managing Director ('MD')
Kankesh Kamath - Chief Financial Officer ('CFO')

(c) Directors

Non-executive directors

Rashmi Agarwal
Rahul Bhasin
Debanshi Basu
Mitali Chitre

Independent directors

Milind Chalisgaonkar
Rangan Mohan

(d) Entity in which Director is holding directorship

SK Finance Ltd.

Note: There is no relative of the KMPs who is having control over reporting entity, its subsidiaries and any entity with which the reporting entity/its subsidiaries has any relation

| | 31 March 2024 | 31 March 2023 |
|---|----------------------|----------------------|
| B) Transactions with related parties | | |
| Key management personnel compensation | | |
| <i>Short term benefits (including bonus and value of perquisites)</i> | | |
| Rajesh Satish Mirjankar | 18.66 | 18.37 |
| Kankesh Kamath | 9.17 | 9.03 |
| <i>Post employment benefits</i> | | |
| Rajesh Satish Mirjankar | 2.18 | 2.17 |
| Kankesh Kamath | 0.98 | 0.91 |
| Advisory fees to independent directors | | |
| Mr. Milind Chalisgaonkar | 1.80 | 1.80 |
| Mr. Rangan Mohan | 1.20 | 1.20 |
| Transactions with wholly owned subsidiaries | | |
| Software development income | 1,097.61 | 1,203.19 |
| Recovery of expenses | 2.59 | 2.26 |
| Dividend received | 67.25 | 117.65 |
| Entity in which Director is holding directorship | | |
| Software development income | 2.03 | 0.69 |
| | 31 March 2024 | 31 March 2023 |
| C) Balances outstanding with related parties | | |
| Key management personnel compensation payable* | | |
| Mr. Milind Chalisgaonkar | 0.80 | - |
| Mr. Rangan Mohan | 0.09 | 0.09 |
| * As on 31 March, 2024, travelling expenses due to Mr. Rajesh Mirjankar of is Rs. 0.02 million which have been subsequently paid) | | |
| Balances with wholly owned subsidiaries | | |
| Unbilled receivables and unbilled revenue | 1,433.98 | 950.47 |
| Other receivables | 2.59 | 2.25 |
| Other payables | 25.64 | 31.99 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| D) Significant related party transactions | | |
| Software development income | | |
| <i>Wholly owned subsidiaries</i> | | |
| Infrasoft Technologies FZ LLC | 822.24 | 952.44 |
| Infrasoft Technologies (Jersey) Limited | 94.91 | 72.85 |
| Infrasoft Technologies Guernsey Ltd. | 1.71 | 1.37 |
| Infrasoft Technologies Pte Limited | 83.77 | 89.61 |
| InfrasoftTech Canada Limited | 51.14 | 55.31 |
| Infrasoft Technologies SDN BHD | 3.30 | 1.14 |
| Infrasoft Technologies Limited (UK) | 40.54 | 30.47 |
| <i>Entity in which Director is holding directorship</i> | | |
| SK Finance Ltd. | 2.03 | 0.69 |
| Recovery of expenses | | |
| InfrasoftTech Canada Limited | - | 0.24 |
| Infrasoft Technologies (Jersey) Limited | 1.06 | 1.74 |
| Infrasoft Technologies Pte Limited | 1.53 | 0.29 |
| Dividend received from subsidiaries | | |
| Infrasoft Technologies (Jersey) Limited | - | 57.08 |
| Infrasoft Technologies FZ LLC | - | 60.57 |
| InfrasoftTech Canada Limited | 67.25 | - |
| - | 31 March 2024 | 31 March 2023 |
| Receivables from subsidiaries (Billed) | | |
| Infrasoft Technologies (Jersey) Limited | 3.55 | - |
| Infrasoft Technologies Guernsey Ltd | 1.42 | - |
| Other receivables from subsidiaries | | |
| InfrasoftTech Canada Limited | - | 0.24 |
| Infrasoft Technologies (Jersey) Limited | 1.06 | 1.74 |
| Infrasoft Technologies Pte Limited | 1.53 | 0.28 |
| Balance due from subsidiaries (unbilled receivables and unbilled revenue) | | |
| InfrasoftTech Canada Limited | 4.72 | 5.53 |
| Infrasoft Technologies (Jersey) Limited | 32.67 | 19.93 |
| Infrasoft Technologies Guernsey Ltd | 2.10 | 1.37 |
| Infrasoft Technologies FZ LLC | 1,321.99 | 899.51 |
| Infrasoft Technologies SDN BHD | 0.34 | 1.70 |
| Infrasoft Technologies Pte Limited | 44.43 | 9.92 |
| Infrasoft Technologies Limited (UK) | 27.73 | 12.51 |
| Balance due to subsidiaries | | |
| Infrasoft Technologies Limited (UK) | - | 16.98 |
| Infrasoft Technologies SDN BHD | - | 1.94 |
| Infrasoft Technologies FZ LLC | 25.64 | 13.07 |
| Investments in subsidiaries | | |
| Infrasoft Technologies Inc | 27.49 | 27.49 |
| Infrasoft Technologies Limited (UK) | 11.26 | 11.26 |
| Infrasoft Technologies FZ LLC | 1.52 | 1.52 |
| Infrasoft Technologies Pte. Limited | 17.53 | 17.53 |
| Infrasoft Technologies (Jersey) Limited | 80.53 | 80.53 |
| Infrasoft Technologies SDN. BHD | 1.00 | 1.00 |
| InfrasoftTech Canada Limited | 0.01 | 0.01 |
| E) Corporate Guarantee given by subsidiaries | | |
| Infrasoft Technologies Limited (UK)* | - | - |

*Corporate guarantee given towards bank overdraft facilities from HSBC bank amounting to £2.10 million equivalent to Rs. 188.87 million.

Note: All related party transactions were entered at an arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel, which may have a potential conflict with the interests of the Company at large.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

33 Fair Value Measurements

(i) Financial Instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

| As at 31 March 2024 | Carrying amount | | | | Fair Value | | | |
|-----------------------------------|-----------------|----------|-----------------|-----------------|--------------|----------|---------------|---------------|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | | | | |
| (i) Investments | 37.93 | - | 139.34 | 177.27 | 37.93 | - | 139.34 | 177.27 |
| (ii) Financial assets | | | | | | | | |
| Security deposits | - | - | 41.82 | 41.82 | - | - | - | - |
| Fixed deposit | - | - | 59.43 | 59.43 | - | - | - | - |
| Others | - | - | 8.25 | 8.25 | - | - | - | - |
| (iii) Trade receivables | - | - | 884.36 | 884.36 | - | - | - | - |
| (iv) Cash and cash equivalents | - | - | 39.50 | 39.50 | - | - | - | - |
| (v) Other Bank Balances | - | - | 84.87 | 84.87 | - | - | - | - |
| | 37.93 | - | 1,257.57 | 1,295.50 | 37.93 | - | 139.34 | 177.27 |
| Financial Liabilities | | | | | | | | |
| (i) Lease liability | - | - | 357.35 | 357.35 | - | - | - | - |
| (ii) Trade payables | - | - | 231.55 | 231.55 | - | - | - | - |
| (iii) Other financial liabilities | - | - | 208.16 | 208.16 | - | - | - | - |
| | - | - | 797.06 | 797.06 | - | - | - | - |

| As at 31 March 2023 | Carrying amount | | | | Fair Value | | | |
|--|-----------------|-------------|-----------------|-----------------|--------------|----------|---------------|---------------|
| | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets | | | | | | | | |
| (i) Investment (Other than subsidiary) | 34.93 | 0.05 | 139.34 | 174.32 | 34.93 | - | 139.39 | 174.32 |
| (ii) Other financial assets | | | | | | | | |
| Security deposits | 38.61 | - | - | 38.61 | - | - | - | - |
| Fixed deposit | - | - | 52.18 | 52.18 | - | - | - | - |
| Others | - | - | 5.48 | 5.48 | - | - | - | - |
| (iii) Trade receivables | - | - | 684.58 | 684.58 | - | - | - | - |
| (iv) Cash and cash equivalents | - | - | 168.17 | 168.17 | - | - | - | - |
| (iv) Other Bank Balances | - | - | 91.35 | 91.35 | - | - | - | - |
| | 73.54 | 0.05 | 1,141.10 | 1,214.69 | 34.93 | - | 139.39 | 174.32 |
| Financial Liabilities | | | | | | | | |
| (i) Lease liability | - | - | 395.48 | 395.48 | - | - | - | - |
| (i) Trade payables | - | - | 107.26 | 107.26 | - | - | - | - |
| (iii) Other financial liabilities | - | - | 177.84 | 177.84 | - | - | - | - |
| | - | - | 680.58 | 680.58 | - | - | - | - |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

33 Fair Value Measurements (Continued)

ii) Fair value hierarchy

The fair value of financial instruments as referred to in note (i) above have been classified into three categories depending on the inputs used in the valuation technique. The categories used are as follows:

- Level 1 - Quoted prices (unadjusted) for identical assets and liabilities in an active market.
- Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

iii) Measurement of Fair value

In determining the fair value of its financial instruments, the company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices (NAV) and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. The following methods and assumptions were used to estimate the fair values:

- a) The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of mutual funds. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.
- b) The Management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, loans, trade payables, current borrowings, other current liabilities and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.
- c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.
- d) For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

iv) There have been no transfers between Level 1 and Level 2 for the years ended 31 March 2024 and 31 March 2023.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

34 Risk management framework

The company has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

Financial Risk Management

The Entity has exposure to the following risks arising from financial instruments:

- i) Credit risk (Refer A)
- ii) Liquidity risk (Refer B)
- iii) Market risk (Refer C)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

A) Credit Risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Company. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables unbilled revenue (contract assets) and security deposits. Trade receivables, unbilled revenue (contract assets) and security deposits are typically unsecured and are derived from revenue from customers majorly located in India, UAE, UK and Channel Islands, Singapore, and North America. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. In determining allowance for credit losses of trade receivables and unbilled revenue, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

Credit risk exposure:

The Company's credit period is generally 30 days. The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 March 2024 and 31 March 2023.

| 31 March 2024 | Weighted average loss rate | Gross carrying amount | Amount of ECL |
|---|----------------------------|-----------------------|---------------|
| Trade receivables - others | | | |
| Not due | 1.32% | 310.56 | 4.10 |
| 0-90 Days | 1.39% | 152.04 | 2.11 |
| 91-180 Days | 10.74% | 14.53 | 1.56 |
| 181-270 Days | 24.20% | 12.44 | 3.01 |
| 271-360 Days | 71.68% | 0.27 | 0.19 |
| > 360 Days | 44.96% | 32.72 | 14.71 |
| Total (A) | | 522.56 | 25.68 |
| Trade receivables - related parties (B) | | | |
| | 28.68% | 543.33 | 155.85 |
| Trade receivables | | 1,065.89 | 181.53 |
| Unbilled revenue (contract assets) | 19.16% | 1,305.50 | 250.08 |

| 31 March 2023 | Weighted average loss rate | Gross carrying amount | Amount of ECL |
|---|----------------------------|-----------------------|---------------|
| Trade receivables - others | | | |
| Not due | 1.98% | 287.51 | 5.70 |
| 0-90 Days | 5.98% | 63.84 | 3.82 |
| 91-180 Days | 16.47% | 12.93 | 2.13 |
| 181-270 Days | 37.04% | 58.08 | 21.51 |
| 271-360 Days | 74.32% | 2.57 | 1.91 |
| > 360 Days | 77.59% | 14.19 | 11.01 |
| Total (A) | | 439.12 | 46.08 |
| Trade receivables - related parties (B) | | | |
| | 22.96% | 378.44 | 86.90 |
| Trade receivables | | 817.56 | 132.98 |
| Unbilled revenue (contract assets) | 8.39% | 1,002.77 | 84.15 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

34 Risk management framework (Continued)

The movement in the allowance for impairment in respect of trade receivables (other than inter-company) during the year was as follows:

| | 31 March 2024 | 31 March 2023 |
|-------------------------------------|---------------|---------------|
| Opening balance | 46.07 | 45.92 |
| Charge / (reversal) during the year | (20.92) | 0.15 |
| Closing balance | 25.15 | 46.07 |

The movement in the allowance for impairment in respect of unbilled trade receivables during the year was as follows:

| | | |
|------------------------|------|---|
| Opening balance | - | - |
| Charge during the year | 0.53 | - |
| Closing balance | 0.53 | - |

The movement in the allowance for impairment in respect of unbilled inter-company trade receivables during the year was as follows:

| | | |
|------------------------|--------|-------|
| Opening balance | 86.91 | 19.99 |
| Charge during the year | 68.94 | 66.92 |
| Closing balance | 155.85 | 86.91 |

The movement in the allowance for impairment in respect of unbilled revenue (contract assets) during the year was as follows:

| | | |
|------------------------|--------|-------|
| Opening balance | 84.15 | 36.58 |
| Charge during the year | 165.93 | 47.58 |
| Closing balance | 250.08 | 84.15 |

(ii) Security deposits

The Company had security deposits of Rs. 0.6 million as at 31 March 2024 and 31 March 2023 which have been considered as doubtful by the Company. The Company has provided such doubtful deposits in the respective years.

(iii) Term deposits, bank balances and Investments in mutual funds

The Company’s exposure in term deposits, balances with banks and invesments in mutual funds is limited, as the counterparties are highly rated banks and asset management companies.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

34 Risk management framework (Continued)

B) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

Tabulated below is the Company's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

| Contractual maturities of financial liabilities | Carrying Amount | As at 31 March 2024 | | | Total |
|---|-----------------|---------------------|-------------------|--------------|--------|
| | | Less than 1 year | Between 1–5 years | Over 5 years | |
| Other financial liabilities | 208.16 | 208.16 | - | - | 208.16 |
| Trade payables | 149.42 | 149.42 | - | - | 149.42 |
| Accured expenses | 82.13 | 82.13 | - | - | 82.13 |
| Lease liabilities | 357.35 | 70.81 | 255.27 | 125.63 | 451.71 |
| Total Financial liabilities | 797.06 | 510.52 | 255.27 | 125.63 | 891.42 |

| Contractual maturities of financial liabilities | Carrying Amount | As at 31 March 2023 | | | Total |
|---|-----------------|---------------------|-------------------|--------------|--------|
| | | Less than 1 year | Between 1–5 years | Over 5 years | |
| Other financial liabilities | 177.84 | 177.84 | - | - | 177.84 |
| Trade payables | 30.46 | 30.46 | - | - | 30.46 |
| Accured expenses | 76.80 | 76.80 | - | - | 76.80 |
| Lease liabilities | 395.48 | 69.86 | 254.13 | 192.30 | 516.29 |
| Total Financial liabilities | 680.58 | 354.96 | 254.13 | 192.30 | 801.39 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

34 Risk management framework (Continued)

C) Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in the United Kingdom, North America and elsewhere. The company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

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 operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables, bank balances and other receivables/ payables. The foreign currency risk may affect the Company's income and expenses, or its financial position and cash flows. The objective of the Company's Management of foreign currency risk is to maintain these risk within acceptable parameters, while optimising returns.

a) Foreign exchange risk

The below table presents foreign currency risk from non-derivative financial instruments as at 31 March 2024 and 31 March 2023:

| Foreign Currency exposure | Currency | 31 March 2024 | | 31 March 2023 | |
|----------------------------------|----------|-------------------------|---------------------|-------------------------|---------------------|
| | | Amount in FC in million | Amount in ₹ million | Amount in FC in million | Amount in ₹ million |
| Financial assets | | | | | |
| Trade Receivables | USD | 0.28 | 23.03 | 0.40 | 32.83 |
| | GBP | 0.02 | 2.11 | - | - |
| | LKR | - | - | 0.12 | 0.03 |
| | BTN | 1.64 | 1.64 | 1.64 | 1.64 |
| Cash and Bank balances | USD | - | - | 0.10 | 8.21 |
| | GBP | - | - | 0.00 | 0.00 |
| Receivable from subsidiaries | AED | - | - | - | - |
| Receivable from subsidiaries | USD | 0.02 | 1.53 | 0.00 | 0.29 |
| | GBP | 0.01 | 1.06 | 0.02 | 1.74 |
| | CAD | - | - | 0.00 | 0.24 |
| Unbilled Revenue | USD | 0.23 | 19.57 | 0.00 | 0.06 |
| | GBP | 0.06 | 6.11 | 0.05 | 5.39 |
| | LKR | - | - | 0.84 | 0.21 |
| Trade Receivables - intercompany | USD | - | - | - | - |
| Trade Receivables - intercompany | GBP | 0.05 | 4.97 | - | - |
| Unbilled Revenue - intercompany | USD | 16.40 | 1,366.42 | 11.07 | 909.43 |
| | CAD | 0.08 | 4.72 | 0.09 | 5.52 |
| | GBP | 0.59 | 62.50 | 0.33 | 33.81 |
| | MYR | 0.02 | 0.34 | 0.09 | 1.70 |
| Financial liabilities | | | | | |
| Trade payables | USD | - | - | 0.09 | 7.37 |
| | EUR | - | - | 0.00 | 0.21 |
| Payable to subsidiaries | AED | - | - | - | - |
| Payable to subsidiaries* | USD | 0.31 | 25.64 | 0.16 | 13.07 |
| | GBP | - | - | 0.17 | 16.98 |
| | MYR | - | - | 0.10 | 1.94 |

*The Company has received foreign currency on behalf of Infrasoft Technologies FZ LLC (wholly owned subsidiary) from its customer in previous years. The company is in the process of regularising the same.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

34 Risk management framework (Continued)

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Company.

During the year ended 31 March 2024 and 31 March 2023, respectively, every 1% increase/decrease in the respective foreign currencies compared to functional currency of the Company would impact results by the following:

| | Impact on profit before tax | | Impact on equity | |
|--------------------------|-----------------------------|---------------|------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| USD/ INR increase by 1% | 13.85 | 9.31 | 10.36 | 6.96 |
| USD/ INR decrease by 1% | (13.85) | (9.31) | (10.36) | (6.96) |
| GBP/ INR increase by 1% | 0.74 | 0.23 | 0.55 | 0.17 |
| GBP/ INR decrease by 1% | (0.7) | (0.23) | (0.55) | (0.17) |
| LKR/ INR increase by 1% | - | 0.00 | - | 0.00 |
| LKR/ INR decrease by 1% | - | (0.00) | - | (0.00) |
| EURO/ INR increase by 1% | - | (0.00) | - | (0.00) |
| EURO/ INR decrease by 1% | - | 0.00 | - | 0.00 |
| CAD/ INR increase by 1% | 0.05 | 0.06 | 0.04 | 0.04 |
| CAD/ INR decrease by 1% | (0.05) | (0.06) | (0.04) | (0.04) |
| MYR/ INR increase by 1% | 0.00 | (0.00) | 0.00 | (0.00) |
| MYR/ INR decrease by 1% | (0.00) | 0.00 | (0.00) | 0.00 |
| BTN/ INR increase by 1% | 0.02 | 0.02 | 0.01 | 0.01 |
| BTN/ INR decrease by 1% | (0.02) | (0.02) | (0.01) | (0.01) |

ii) Interest rate risk

Interest rate risk generally arises from long term borrowings with variable rates which exposes a company against cash flow and fair value interest rate risk. There are no borrowings in the Company hence, interest rate risk is not applicable.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

35 Contingent liabilities and capital commitments

(i) Contingent liabilities

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| i) Guarantees given by bank on behalf of company | 157.08 | 184.03 |
| ii) Income tax demand in respect of earlier years under dispute (refer note a) | 27.69 | 37.07 |
| iii) Statutory bonus (refer note b) | 8.06 | 8.06 |
| | 192.83 | 229.16 |

Note (a) : Income Tax demand in respect of earlier years

| Period to which the amount relates | 31 March 2024 | 31 March 2023 | Particulars |
|------------------------------------|---------------|---------------|--|
| A.Y 2002-03 | 3.06 | 3.06 | Demand due to disallowance of deduction u/s 10A. Appeal pending at High court, New Delhi |
| A.Y 2006-07 | - | 19.47 | Demand due to disallowance of deduction u/s 10A. Income Tax Appellate Tribunal set aside order of Commissioner of Income Tax- Appeals. Matter pending at Jurisdictional Assessing Officer. |
| A.Y 2008-09 | - | 1.31 | Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax- Appeals |
| A.Y 2009-10 | - | 9.93 | Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax- Appeals |
| A.Y 2012-13 | 12.80 | - | Demand due to disallowance of depreciation on Intangible assets. Appeal pending at High court, Mumbai |
| A.Y 2013-14 | 11.82 | - | Demand due to disallowance of depreciation on Intangible assets. Appeal pending at High court, Mumbai |
| A.Y 2017-18 | - | 3.30 | Demand due to disallowance of depreciation on Goodwill. Appeal pending at Commissioner of Income Tax- Appeals. |
| | 27.69 | 37.07 | |

Note (b):

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

(ii) Capital Commitments

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 3.94 | 9.98 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

36 Transfer pricing

The Company's international transactions with related parties are at arm's length as per the independent accountant's report for the year ended 31 March 2023. Management believes that the Company's international transactions with related parties post 31 March 2023 continue to be at arm's length and that the transfer pricing legislation will not have any material impact on these financial statements, particularly on the amount of tax expense and that of provision of taxation.

37 Segment information

In accordance with paragraph 4 of Indian Accounting Standard (IndAS) 108 "Operating segment" prescribed in the Companies (Accounts) Rules 2014, issued by the central government, the Company has presented segmental information in the consolidated financial statements.

38 Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around Infrasoft Technologies Limited. The major areas covered for CSR activities are environment sustainability, empowering women and promoting gender equality, poverty reduction, eradicating extreme hunger, promoting education and other social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central and State Govt. funds for socio-economic development and relief etc. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs 11.84 million (31 March 2023: Rs. 11.16 million). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs 11.65 million (31 March 2023: Rs 11.54 million).

| | In cash | Yet to be paid in cash | Total |
|---|---------|------------------------|-------|
| CSR Activities | | | |
| (1) Construction / acquisition of any asset | - | - | - |
| (2) On purposes other than (1) above : | | | |
| Current year | 11.65 | - | 11.65 |
| Previous year | 11.54 | - | 11.54 |

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)
for the year ended 31 March 2024

39 Ratios

| (Amounts in ₹ million) | | | | | | |
|---|--|--|---------------|---------------|----------------|---------------------|
| Ratios | Numerator | Denominator | 31 March 2024 | 31 March 2023 | Variance | Reason for variance |
| Current Ratio (in times) | Current Assets | Current Liabilities | 2.16 | 2.74 | -21.31% | Note (a) |
| Debt Equity Ratio (in %) | Total Debt, i.e. lease liabilities | Total Equity | 16.04% | 18.05% | 11.12% | |
| Debt service coverage ratio (in times) | Earnings available for debt service ⁽¹⁾ | Debt service = Principal and interest repayments of lease | 6.70 | 13.57 | -50.63% | Note (b) |
| Return on Equity Ratio (in %) | Profit for the year | Average Total Equity | 4.11% | 24.57% | -83.27% | Note (c) |
| Inventory Turnover Ratio | Cost of Goods Sold/Net Sales | Average Inventory | | | Not Applicable | |
| Trade Receivables Turnover Ratio (in times) | Revenue from operations | Average Trade receivables | 3.85 | 5.26 | -26.87% | Note (d) |
| Trade Payable Turnover Ratio (in times) | Other expenses ⁽²⁾ | Average Trade payables | 4.55 | 5.22 | 12.77% | |
| Net Capital Turnover Ratio (in times) | Revenue from operations | Average Working capital, i.e. (i.e. Total Current Assets less Total Current Liabilities) | 2.42 | 2.77 | -12.63% | |
| Net Profit Ratio (in %) | Profit for the year | Revenue from operations | 3.01% | 15.42% | -80.50% | Note (c) |
| Return on capital employed (in %) | Profit before tax and finance cost | Capital employed = Total equity - Deferred tax assets (net) + Lease liabilities | 5.26% | 27.46% | -80.85% | Note (c) |
| Return on Investment | Income generated from invested funds | Average invested funds in treasury investments | 24.14% | 23.28% | 3.70% | |

(1) Earnings available for debt service = Net profit after taxes + Depreciation + Interest + loss on sale of property, plant and equipment, etc. + allowance for expected credit loss + unbilled revenue written off + deposits written off

(2) Other epenses excludes allowance for expected credit loss, bad debts, unbilled revenue & deposits written off, loss of foreign currency transactions (net) and net change in fair value of investments carried at FVTPL

Explanation to variance in Ratios:

(a) The increase in current liabilities is due increase in Unearned revenue and Trade payable has resulted decrease in Current ratio

(b) The decarese in EBIDTA, due to increase in Employee benefit expense and Other expenses (Software development and maintainance services & Impairment Loss) during FY 2023-24 has resulted in reduction in debt service coverage ratio.

(c) There is decrease in Profit for the year, due to increase in Employee benefit expense and Other expenses (Software development and maintainance services & Impairment Loss)

(d) The decrease in Trade receivables and decrease in Revenue from operations has resulted in decrease in Trade receivables Turnover ratio.

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

40 Additional regulatory information required by Schedule III

- i) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) and other intangible assets during the current or previous year.
- iii) The Company does not have any Benami property, where any proceedings have been initiated or pending against the Company for holding any Benami property.
- iv) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- vi) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company is not declared as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or government or any government authority or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- ix) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.
- x) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- xi) The Company does not have any Borrowings from banks and financial institutions.
- xii) The Company does not have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- xiii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

xiv) Borrowings on the basis of security of current assets:

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

| Quarter | Name of bank | Cumulative Sales | | |
|----------------------------------|---|--|---|------------------------------------|
| | | Amount as per books of account (In millions) | Amount as reported in the quarterly return/ statement (In millions) | Amount of difference (In millions) |
| Quarter ended 30 June 2023 | The Hongkong and Shanghai Banking Corporation Limited | 530.38 | 532.22 | (1.84) |
| Quarter ended 30 Septemeber 2023 | Corporation Limited | 1,231.98 | 1,235.68 | (3.70) |
| Quarter ended 30 Decemeber 2023 | Corporation Limited | 1,867.89 | 1,872.70 | (4.81) |

| Quarter | Name of bank | Earnings before interest, taxes, depreciation, and amortisation | | |
|----------------------------------|---------------------|---|---|------------------------------------|
| | | Amount as per books of account (In millions) | Amount as reported in the quarterly return/ statement (In millions) | Amount of difference (In millions) |
| Quarter ended 30 Septemeber 2023 | Corporation Limited | 42.57 | (75.40) | 117.97 |

| Quarter | Name of bank | Trade Payables | | |
|----------------------------------|---------------------|--|---|------------------------------------|
| | | Amount as per books of account (In millions) | Amount as reported in the quarterly return/ statement (In millions) | Amount of difference (In millions) |
| Quarter ended 30 Septemeber 2023 | Corporation Limited | 135.11 | 109.1 | 26.01 |
| Quarter ended 30 Decemeber 2023 | Corporation Limited | 79.67 | 73.87 | 5.8 |

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

Infrasoft Technologies Limited

Notes forming part of the Financial Statements (Continued)

for the year ended 31 March 2024

41 Other information

- i) As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing 1 April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.
- The audit trail has not been enabled at an application level for all the relevant tables and fields for maintenance of books of accounts and relevant transactions. However, the software used by the Company has not been enabled with the feature of audit trail log at the database layer to log direct transactional changes, due to present design of the softwares used by the Company. In the meanwhile, the Company continues to ensure that direct write access to the database is granted via an approved change management process.
- ii) The Company has paid/provided for the remuneration pertaining to Mr. Rajesh Mirjankar (Managing Director). Remuneration for the year ended 31 March 2024 includes Rs. 18.66 million which is subject to approval of the shareholders.
- iii) Information with regard to other matters specified in Schedule III of the Act, is either nil or not applicable to the Company for the year.

42 Subsequent events

No significant events occurred between the Balance sheet date and the date of approval of these financial statements by the Board of directors of the Company requiring adjustment or disclosure.

In terms of our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

JITENDRA JAYANTILAL
VAISHNAV
Digitally signed by JITENDRA
JAYANTILAL VAISHNAV
Date: 2024.07.24 18:35:38
+05'30'

Jitendra Vaishnav

Partner

Membership No: 123636

Mumbai

Date : 24 July 2024

For and on behalf of Board of Directors of Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

RAHUL
BHASIN
Digitally signed by RAHUL BHASIN
DN: cn=BHASIN, o=Infrasoft Technologies Limited, ou=Infrasoft Technologies Limited, email=rahul.bhasin@infrasofttechnologies.com, c=IN

Rahul Bhasin

Chairman

DIN: 00236867

RAJESH
MIRJANKAR
Digitally signed by RAJESH MIRJANKAR
Date: 2024.07.24
16:54:58 +05'30'

Rajesh Mirjankar

Managing Director

DIN: 03594206

KANKESH
MURLIDHAR
KAMATH
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MURLIDHAR KAMATH
Date: 2024.07.24 15:54:03 +05'30'

Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

Meet Ramesh
Bhagat
Digitally signed by Meet Ramesh Bhagat
Date: 2024.07.24
17:00:36 +05'30'

Meet Bhagat

Company Secretary

Membership No: ACS 20518

Independent Auditor's Report

To the Members of Infracsoft Technologies Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Infracsoft Technologies Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Other Information

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

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

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

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)**Infrasoft Technologies Limited****Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

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

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

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

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

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

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

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

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

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

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

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

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

Other Matter

- a. We did not audit the financial statements of seven subsidiaries and one step-down subsidiary, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 2,550.58 million as at 31 March 2024, total revenues (before consolidation adjustments) of Rs. 1,957.33 million and net cash out flows (before consolidation adjustments) amounting to Rs. 44.56 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and step-down subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and step-down subsidiary is based solely on the reports of the other auditors.

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

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

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of accounts as required by law relating to preparation of aforesaid consolidated financial statements have been kept so far as it appears from our examination of those, except:
 - for the matters stated in paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors Rules) 2014; and
 - the back-up of the accounting software used for maintaining time sheet of employees of the Holding Company and accounting software used for maintaining sales volume count records of the Holding Company which forms part of the 'books of account and other relevant books and papers in electronic mode' has not been kept on servers physically located in India on a daily basis.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f)] below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 41 to the consolidated financial statements.
 - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024.
- d (i) The management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 42(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company has represented to us that, to the best of their knowledge and belief, as disclosed in the Note 42(vi) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.
- f. Based on our examination which included test checks and considering report of independent auditor's in relation to controls at the service organisation for payroll software except for the instances mentioned below, the Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:

In respect of the Holding Company, the feature of recording audit trail (edit log) facility was not enabled for accounting software used for maintaining general ledger, property plant and equipment, purchases, sales and journal vouchers; accounting software used for maintaining time sheet of employees and accounting software used for maintaining revenue volume count records. Consequently, we are unable to comment on audit trail feature of the said softwares.

Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with.

Independent Auditor's Report (Continued)

Infrasoft Technologies Limited

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

We draw attention to Note 43(ii) to the consolidated financial statements for the year ended 31 March 2024 according to which the managerial remuneration paid to Managing Director of the Holding Company (amounting to Rs. 18.66 million) exceeds the prescribed limits under Section 197 of the Companies Act, 2013 by Rs 0.74 million. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding Company proposes to obtain in the forthcoming Annual general Meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Place: Mumbai

Date: 24 July 2024

Membership No.: 123636

ICAI UDIN:24123636BKJMIR5137

Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Infracore Technologies Limited for the year ended 31 March 2024

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

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

| Sr. No. | Name of the entities | CIN | Holding Company/Subsidiary/ JV/ Associate | Clause number of the CARO report which is unfavourable or qualified or adverse |
|---------|--------------------------------|-----------------------|---|--|
| 1 | Infracore Technologies Limited | U72900MH1995PLC135094 | Holding Company | Clause (ii)(b), (iii)(a), (iii)(c), (iii)(d), (iii)(e), (iii)(f) and (vii)(a) |

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

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Place: Mumbai

Date: 24 July 2024

Membership No.: 123636

ICAI UDIN:24123636BKJMIR5137

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Infracore Technologies Limited for the year ended 31 March 2024

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Infracore Technologies Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Holding 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").

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

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

Auditor's Responsibility

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

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

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

Annexure B to the Independent Auditor's Report on the consolidated financial statements of Infracore Technologies Limited for the year ended 31 March 2024 (Continued)

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Place: Mumbai

Date: 24 July 2024

Membership No.: 123636

ICAI UDIN: 24123636BKJMIR5137

Infrasoft Technologies Limited

Consolidated Balance Sheet

as at 31 March 2024

(Amounts in ₹ million)

| | Note | 31 March 2024 | 31 March 2023 |
|--|-------|-----------------|-----------------|
| A. ASSETS | | | |
| I Non-current assets | | | |
| (a) Property, plant and equipment | 2 | 252.15 | 302.95 |
| (b) Right of use assets | 3 | 358.96 | 398.14 |
| (c) Goodwill | 4 | 100.93 | 97.40 |
| (d) Other intangible assets | 5 | 7.77 | 12.92 |
| (e) Financial assets | | | |
| (i) Investments | 6 | - | 0.05 |
| (ii) Other financial assets | 7 | 94.05 | 85.63 |
| (f) Deferred tax assets (net) | 32(D) | 70.53 | 13.55 |
| (g) Other tax assets (net) | 8(a) | 289.72 | 221.78 |
| (h) Other non-current assets | 9 | 61.97 | 115.93 |
| Total non-current assets (I) | | 1,236.08 | 1,248.35 |
| II Current assets | | | |
| (a) Financial assets | | | |
| (i) Investment | 10 | 37.93 | 34.93 |
| (ii) Trade receivables | 11 | 1,179.27 | 961.04 |
| (iii) Cash and cash equivalents | 12 | 406.17 | 579.39 |
| (iv) Bank balances other than (iii) above | 13 | 110.79 | 95.66 |
| (v) Other financial assets | 14 | 19.63 | 13.26 |
| (b) Other current assets | 15 | 1,741.25 | 1,623.98 |
| Total current assets (II) | | 3,495.04 | 3,308.26 |
| Total assets (I+II) | | 4,731.12 | 4,556.61 |
| B. EQUITY AND LIABILITIES | | | |
| I Equity | | | |
| (a) Equity share capital | 16 | 76.42 | 76.42 |
| (b) Other Equity | 17 | 2,674.64 | 2,615.18 |
| Total equity | | 2,751.06 | 2,691.60 |
| II Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 18 | 327.28 | 359.45 |
| (b) Provisions | 19 | 39.43 | 11.38 |
| Total non-current liabilities | | 366.71 | 370.83 |
| III Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 18 | 60.75 | 50.68 |
| (ii) Trade payables | 20 | | |
| (a) Total outstanding dues of micro enterprises and small enterprises; and | | 21.52 | 2.34 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 234.52 | 136.74 |
| (iii) Other financial liabilities | 21 | 623.96 | 721.39 |
| (b) Other current liabilities | 22 | 551.86 | 463.97 |
| (c) Provisions | 23 | 98.56 | 112.01 |
| (d) Current tax liabilities (net) | 8(b) | 22.18 | 7.06 |
| Total current liabilities | | 1,613.35 | 1,494.19 |
| Total liabilities (II + III) | | 1,980.06 | 1,865.02 |
| Total equity and liabilities (I + II + III) | | 4,731.12 | 4,556.61 |

Material accounting policies

1.3

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 44)

In terms of our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

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Jitendra Vaishnav

Partner

Membership No: 123636

For and on behalf of the Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

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Rahul Bhasin

Chairman

DIN: 00236867

**RAJESH
MIRJANKAR**
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Date: 2024.07.24
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Rajesh Mirjankar

Managing Director

DIN: 03594206

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Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

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Bhagat**
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Meet Bhagat

Company Secretary

Membership No: ACS 20518

Place: Mumbai

Date: 24 July 2024

Infrasoft Technologies Limited

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

| | | (Amounts in ₹ million) | |
|--|-------|------------------------|-----------------|
| | Notes | 31 March 2024 | 31 March 2023 |
| A. Income: | | | |
| (a) Revenue from operations | 24 | 3,855.92 | 4,093.46 |
| (b) Other income | 25 | 19.92 | 27.23 |
| Total income | | 3,875.84 | 4,120.69 |
| B. Expenses: | | | |
| (a) Employee benefits expense | 26 | 2,352.51 | 2,142.98 |
| (b) Finance costs | 27 | 27.93 | 25.59 |
| (c) Depreciation and amortisation expense | 28 | 153.56 | 125.23 |
| (d) Other expenses | 29 | 1,222.20 | 1,098.60 |
| Total expenses | | 3,756.20 | 3,392.40 |
| C. Profit before tax (A-B) | | 119.64 | 728.29 |
| D. Tax expense: | 32 | | |
| Current tax | | 91.04 | 61.45 |
| Deferred tax | | (57.98) | 124.80 |
| Tax expense | | 33.06 | 186.25 |
| E. Profit for the year (C-D) | | 86.58 | 542.04 |
| F. Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to profit or loss | | | |
| Re-measurements of defined benefit plans | | 4.28 | (22.84) |
| Income tax relating to items that will not be reclassified to profit or loss | | (1.00) | 4.90 |
| Items that will be reclassified subsequently to profit or loss | | | |
| Exchange differences in translating the financial statements of foreign operations | | 26.91 | 46.77 |
| Other comprehensive income for the year | | 30.19 | 28.83 |
| G. Total comprehensive Income for the year (E+F) | | 116.77 | 570.87 |
| Earnings per equity share: | 30 | | |
| - Basic | | 11.33 | 74.71 |
| - Diluted | | 11.33 | 74.61 |
| (Face value of Rs. 10/-) | | | |
| Material accounting policies | 1.3 | | |

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 44)

In terms of our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

**JITENDRA
JAYANTILAL
VAISHNAV**

Jitendra Vaishnav

Partner

Membership No: 123636

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For and on behalf of the Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

**RAJESH
MIRJANKAR**

Rajesh Mirjankar

Managing Director

DIN: 03594206

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RAJESH MIRJANKAR
Date: 2024.07.24
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Rahul Bhasin

Chairman

DIN: 00236867

**KANKESH
MURLIDHAR
KAMATH**

Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

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**Meet
Ramesh
Bhagat**

Meet Bhagat

Company Secretary

Membership No: ACS 20518

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Place: Mumbai
Date: 24 July 2024

Infrasoft Technologies Limited

Consolidated Statement of Changes in Equity
for the year ended 31 March 2024

A. Equity share capital

(Amounts in ₹ million)

| Particulars | Note | Amount |
|---|------|--------|
| As at 1 April 2022 | 16 | 76.42 |
| Changes in equity share capital during the year | | - |
| As at 31 March 2023 | 16 | 76.42 |
| Changes in equity share capital during the year | | - |
| As at 31 March 2024 | 16 | 76.42 |

B. Other Equity

(Amounts in ₹ million)

| Particulars | Reserves and Surplus | | | | Items of OCI | | Total Other Equity |
|--|----------------------|--------------------|----------------------------|-----------------|---|---|--------------------|
| | Retained Earnings | Securities premium | Capital Redemption Reserve | General Reserve | Remeasurements of the defined benefit plans | Exchange differences on translating the financial statements of a foreign operation | |
| Balance as on 1 April 2022 | 2,092.23 | 28.50 | 7.16 | 65.88 | (6.53) | 9.90 | 2,197.14 |
| Add: Profit for the year | 542.04 | - | - | - | - | - | 542.04 |
| Less: Interim dividend | (152.83) | - | - | - | - | - | (152.83) |
| Add: Other comprehensive income/(losses) for the period (net of tax) | - | - | - | - | (17.94) | 46.77 | 28.83 |
| Closing balance as on 31 March 2023 | 2,481.44 | 28.50 | 7.16 | 65.88 | (24.47) | 56.67 | 2,615.18 |
| Add: Profit for the year | 86.58 | - | - | - | - | - | 86.58 |
| Less : Interim dividend | (57.31) | - | - | - | - | - | (57.31) |
| Add: Other comprehensive income/(losses) for the period (net of tax) | - | - | - | - | 3.28 | 26.91 | 30.19 |
| Closing balance as on 31 March 2024 | 2,510.71 | 28.50 | 7.16 | 65.88 | (21.19) | 83.58 | 2,674.64 |

Material accounting policies (Note 1.3)

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 44)

In terms of our report of even date attached.

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

JITENDRA
JAYANTILAL
VAISHNAV
Jitendra Vaishnav
Partner
Membership No: 123636

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Date: 2024.07.24 20:37:21
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For and on behalf of the Board of Directors of
Infrasoft Technologies Limited
CIN No: U72900MH1995PLC135094

RAJESH
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Date: 2024.07.24
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Rahul Bhasin
Chairman
DIN: 00236867

Rajesh Mirjankar
Managing Director
DIN: 03594206

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Kankesh Kamath
Chief Financial Officer
Membership No: ACA 100377

Meet Bhagat
Company Secretary
Membership No: ACS 20518

Place: Mumbai
Date: 24 July 2024

Infrasoft Technologies Limited

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|---|-----------------|-----------------|
| A. Cash flows from operating activities | | |
| Profit before tax | 119.64 | 728.29 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 153.56 | 125.23 |
| Finance cost | 27.93 | 25.59 |
| (Gain)/ loss on sale of property, plant and equipment (net) | - | (0.18) |
| (Gain)/ loss on sale of investments (net) | (0.23) | (14.16) |
| Change in fair value of financial assets at FVTPL | (3.00) | 5.59 |
| Interest income on fixed deposits | (6.64) | (5.22) |
| Unwinding of discount on security deposits | (1.24) | (1.04) |
| Bad debts written off | - | 8.45 |
| Unbilled revenue written off | 8.70 | 2.02 |
| Impairment loss recognised under expected credit loss model | 260.60 | 162.24 |
| Liabilities no longer required, written back | (0.22) | (4.45) |
| Operating profit before working capital changes | 559.10 | 1,032.36 |
| Changes in working capital | | |
| (Increase) in trade receivable and contract assets | (584.94) | (1,299.43) |
| (Decrease)/Increase in trade payables | 117.18 | (52.20) |
| Decrease/(Increase) in other financial assets and other assets | 49.59 | 98.66 |
| Increase in other financial liabilities, other liabilities and provisions | 3.34 | 260.48 |
| Cash generated from operating activities | 144.27 | 39.87 |
| Income tax paid, net of refund | (143.86) | (153.99) |
| Net cash from/ (used in) operating activities (A) | 0.41 | (114.12) |
| B. Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (22.03) | (198.56) |
| Proceed from sale of property, plant and equipment | - | 0.18 |
| Investment in mutual funds | (50.00) | - |
| Proceeds from sale of investments | 50.28 | 516.01 |
| Investment in term deposits | (22.38) | (208.35) |
| Proceeds from maturity of term deposits | - | 190.71 |
| Interest income received on term deposits | 4.20 | 4.71 |
| Net cash (used in)/ from investing activities (B) | (39.93) | 304.70 |
| C. Cash flows from financing activities | | |
| Dividend paid during the year | (57.26) | (152.80) |
| Principal payment of lease obligations (refer note 18(c)) | (56.33) | (40.67) |
| Interest paid on lease liabilities (refer note 18(c)) | (27.72) | (25.43) |
| Net cash used in financing activities (C) | (141.31) | (218.91) |

Infrasoft Technologies Limited

Consolidated Statement of Cash Flows (Continued)

for the year ended 31 March 2024

| | (Amounts in ₹ million) | |
|--|------------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Net increase in cash and cash equivalents (A+B+C) | (180.83) | (28.33) |
| Effect of exchange differences on cash and cash equivalents held in foreign currency | 7.61 | 0.72 |
| Cash and cash equivalents at the beginning of the year | 579.39 | 607.00 |
| Cash and cash equivalents at the end of the year | 406.17 | 579.39 |
| Components of cash and cash equivalents | | |
| Balances with banks | | |
| - On current account | 406.17 | 579.39 |
| | 406.17 | 579.39 |
| Non-cash transactions | | |
| - Acquisition of right-of-use assets | 3 | 34.72 |
| | | 181.28 |

Notes:

i. Statement of Cash Flow has been prepared under the indirect method as set out in Ind AS 7 prescribed under the Companies Act (Indian Accounting Standard) Rules, 2015 of the Companies Act, 2013

Material accounting policies (Note 1.3)

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 44)

In terms of our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

JITENDRA
JAYANTILAL
VAISHNAV

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JITENDRA JAYANTILAL
VAISHNAV
Date: 2024.07.24
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Jitendra Vaishnav
Partner

Membership No: 123636

Place: Mumbai

Date: 24 July 2024

For and on behalf of the Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

RAJESH
MIRJANKAR

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RAJESH MIRJANKAR
Date: 2024.07.24
17:14:46 +05'30'

Rajesh Mirjankar
Managing Director

DIN: 03594206

Rahul Bhasin
Chairman

DIN: 00236867

KANKESH
MURLIDHAR
KAMATH

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Date: 2024.07.24 17:10:14
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Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

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Bhagat

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Date: 2024.07.24
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Meet Bhagat

Company Secretary

Membership No: ACS 20518

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements for the year ended 31 March 2024

1.1 GENERAL INFORMATION

Infrasoft Technologies Limited ('the Company') is a public limited company incorporated under the Companies Act, 1956. The Company's registered office is in Mumbai and it has subsidiaries across multiple geographies.

Infrasoft Technologies Limited and its subsidiaries (collectively referred as "the Group") offers software products, solutions and services for banks and financial institutions in India, United Kingdom, Middle East, United States, Singapore, Canada, Malaysia and Jersey. It offers the following products and solutions:

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

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

The list of subsidiaries with percentage holding is summarised below:

| Subsidiaries | Percentage of holding of Parent Company | Country of incorporation |
|---|---|--------------------------|
| Infrasoft Technologies FZ LLC | 100% | United Arab Emirates |
| Infrasoft Technologies (Jersey) Limited | 100% | Jersey |
| Infrasoft Technologies Guernsey Limited | 100% | Guernsey |
| Infrasoft Technologies Limited (UK) | 100% | United Kingdom |
| Infrasoft Technologies Inc. | 100% | United States of America |
| InfrasoftTech Canada Limited | 100% | Canada |
| Infrasoft Technologies Pte. Limited | 100% | Singapore |
| Infrasoft Technologies SDN BHD. | 100% | Malaysia |

1.2 BASIS OF PREPARATION AND PRESENTATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act.

All amounts have been rounded to the nearest million, unless otherwise indicated and except for per share data.

The financial statements of the Group were approved and authorised for issue in accordance with a resolution passed in the Board of Directors meeting held on 24 July 2024.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements for the year ended 31 March 2024

1.2 BASIS OF PREPARATION AND PRESENTATION (Continued)

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

| Items | Measurement Basis |
|--|--|
| Non derivative financial instruments at fair value through profit and loss (FVTPL) | Fair value |
| Equity securities at fair value through other comprehensive income (FVOCI) | Fair value |
| Net defined benefit (asset)/ liability | Fair Value of plan assets less the present value of the defined benefit obligation |

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

- Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs are not based on observable market data (unobservable inputs).

Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(c) Functional and presentation currency

The consolidated financial statements are presented in Indian Rupees (INR), which is also the Group's functional currency.

(d) Use of estimates and judgements

In preparing the consolidated financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 1.3 (c): Revenue recognition: whether revenue from services is recognised over time or at a point in time;
- Note 1.3 (h): Lease term: whether the Group is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Notes 1.3 (c): Revenue recognition: degree of completion of performance obligation;

Notes 1.3 (d) and (e): Property, plant and equipment and intangible assets: Useful lives and impairment;

Notes 1.3 (f): Financials instruments: measurement of expected credit loss ('ECL') allowance for trade receivables and contract assets, key assumptions in determining the weighted-average loss rate;

Notes 1.3 (g): Impairment test of goodwill: key assumptions underlying recoverable amounts.

Notes 1.3 (i): Employee benefits: key actuarial assumptions used in the measurement of employee benefits obligations;

Notes 1.3 (j): Deferred taxes: recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward, if any, can be utilised;

Notes 1.3 (k): Provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements for the year ended 31 March 2024

1.2 BASIS OF PREPARATION AND PRESENTATION (Continued)

(e) Current–non-current classification

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

Assets

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

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

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

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

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

1.3 MATERIAL ACCOUNTING POLICIES

(a) Basis for Consolidation

i) Business combinations (other than common control business combinations)

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard.

Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill and is tested annually for impairment. Any gain on a bargain purchase is recognised in the OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, then gain on a bargain purchase is recognised directly in equity as capital reserve. Transaction costs/ acquisition related costs are expensed as incurred and services are received, except if related to the issue of debt or equity securities.

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Consolidation procedure followed is as under:

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(a) Basis for Consolidation (Continued)

iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iv) Loss of control:

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

b) Foreign Currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency exchange differences are generally recognised in profit or loss, except foreign currency exchange differences arising from the translation of the investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss); which are recognised in OCI.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint arrangements, branches), including goodwill and fair value adjustments arising on acquisition, are translated into INR at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Foreign currency differences are recognised in OCI and accumulated in the equity (as exchange differences on translating the financial statements of a foreign operation).

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reallocated to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Revenue recognition

The group derives revenue primarily from software development, maintenance of software/hardware and related services, sale of IT and other products. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration the group expects to receive in exchange for those products or services.

- Revenue related to fixed price maintenance and support services contracts where the group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight-lined over the period of performance.
- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- In respect of other fixed-price contracts, which includes sale of products and equipments, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.
- The solutions offered by the Group may include supply of third-party equipment or software. In such cases, revenue for supply of such third party products are recorded at gross or net basis depending on whether the group is acting as the principal or as an agent of the customer. The Group recognises revenue in the gross amount of consideration when it is acting as a principal and at net amount of consideration when it is acting as an agent.
- Revenue from subsidiaries is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of services rendered is net of variable consideration on account of discounts and service level credits, if any, as per the terms of the contract. Revenue also excludes taxes collected from customers.

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include promises to transfer multiple products and services to a customer. The Group assesses the products / services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables. The Group allocates the arrangement consideration to separately identifiable performance obligations based on their relative standalone selling price if each product or service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised products or services are combined and accounted as a single performance obligation.
- Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as service level credits, price concessions and incentives. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product or service from the customer. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Group considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc. For performance obligations where control is transferred over time, revenues are recognised by measuring progress towards completion of the performance obligation. The selection of the method to measure progress towards completion requires judgment and is based on the nature of the promised products or services to be provided.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(c) Revenue recognition (Continued)

Cost to obtain and fulfill contracts

Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained is recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained. The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. The asset so recognised is amortised to revenue on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates.

Certain eligible, nonrecurring contract fulfillment costs that do not represent a separate performance obligation are recognised as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of the group that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered. Such costs are amortised over the contractual period or useful life of licence, whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Contract assets and contract liabilities

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets reflect revenue recognised for which the corresponding rights to receive consideration are contingent upon something else other than the passage of time, such as the group's future performance, achievement of billing milestones, or customer acceptance. Accordingly, contract assets are disclosed under other current assets as 'Unbilled revenue'.

Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned revenue ("contract liability") is recognised when there are billings in excess of revenues.

The billing schedules agreed with customers include periodic performance based payments and / or milestone based progress payments. Invoices are payable within contractually agreed credit period.

In accordance with Ind AS 37, the Group recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The contract modification are accounted for when the addition, deletion and changes are approved either to contract scope or contract price. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Interest income:

Interest income is recognised using the effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument, or, where appropriate, a shorter period, to the gross carrying amount of the financial instrument.

Dividend Income

Dividend income is recognised in the consolidated Statement of Profit and Loss when the group's right to receive payment is established.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(d) Property plant and equipment (Continued)

Recognition and measurement

Property, plant and equipment (including capital work-in-progress) are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Assets under construction are disclosed as capital work-in-progress.

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

Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation:

Depreciation on property, plant and equipment is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their useful lives and is recognised in the Statement of Profit and Loss. The estimated useful lives for the current and comparative periods is as follows:

| Type of asset | Estimated useful life |
|---|-----------------------|
| Computer equipments (including servers) | 3-6 years |
| Furniture and fixture | 10 years |
| Office equipment | 5 years |
| Electrical and fittings | 10 years |
| Vehicles | 8 years |

The useful lives as given above best represent the period over which the management expects to use these assets, and are as per Part C of Schedule II of the Companies Act 2013. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Improvements to leased premises are amortised over the remaining non-cancellable period of the lease.

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 profit or loss in the year the asset is derecognised.

Transition to Ind AS

The cost of property, plant and equipment at 1 April 2021, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

(e) Goodwill and Other intangible assets

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

Other intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss. Subsequent expenditure is capitalised only when it increases the future economic benefit from the specific asset to which it relates. Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of Profit and Loss.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(e) Goodwill and Other intangible assets

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Other Intangible assets are amortised on the straight line method over a period of 3 years.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of Profit and Loss. Other Intangible assets are amortised on the straight line method over a period of 3 years. Goodwill is not amortised.

Impairment testing of Property, plant and equipment, goodwill and other intangible assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination. The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Transition to Ind AS

The cost of other intangible assets at 1 April 2021, the Group's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

(f) Financial Instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments, except trade receivables that are initially recognised when they are originated.

A financial asset or financial liability is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Classification and subsequent measurement

Financial assets

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

- Amortised cost; or
- FVOCI - Debt Investment; or
- FVOCI – equity investment;
- FVTPL

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

(e) Goodwill and Other intangible assets

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

A financial asset which is not classified in any of the above categories are measured at FVTPL. However, in cases where the Company has made an irrevocable election for particular investments in equity instruments that would otherwise be measured at FVTPL the subsequent changes in fair value are recognised in Other Comprehensive Income.

Subsequent measurement and gains and losses

| | |
|------------------------------------|--|
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |
| Debt investments at FVOCI | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. |
| Equity investments at FVOCI | These assets are subsequently measured at fair value. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss. |

Financial liabilities – Classification, subsequent measurement and gains and losses

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. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. 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

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(f) Financial Instruments (Continued)

Financial liability

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the group 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.

(g) Impairment

Financial instruments and contract assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets (including capitalised contract costs)

The Group's measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets measured at FVTPL category. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Group's trade receivables do not contain significant financing component and as per simplified approach, loss allowances on trade receivables are measured using provision matrix at an amount equal to life time expected losses i.e. expected cash shortfall. Impairment losses and reversals are recognised in Statement of Profit and Loss.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(g) Impairment (Continued)

Write-off

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 Group 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 Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the statement of profit and loss.

(h) Leases

The Group primarily has leased rental office premises across multiple locations. At the inception of contract the Group assesses whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract involves use of an identified asset and conveys the right to control the use of asset for period of time in exchange for consideration i.e. customer has right to:

- obtain substantially all the economic benefits from using the asset and
- direct the use of asset

Group as a lessee

Recognition and measurement

The Group recognises the right of use asset and lease liability at the lease commencement date of lease. The right of use asset is initially measured at cost, which comprises of the initial amount of lease liability adjusted for any payment made at or before commencement date, any initial direct cost incurred and an estimate of cost to dismantle or remove an underlying asset or to restore an asset less any lease incentive received. The lease liability is initially measured at present value of lease payments that is not paid at commencement date discounted at implicit rate mentioned in lease or incremental borrowing rate.

Lease payments include fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by the Group under the residual value guarantee; the exercise price of a purchase option; if the Group is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term considered reflects that the Group shall exercise a termination option. The Group generally uses its incremental borrowing rate as discount rate.

The right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of lease term or over the useful life of right-of-use asset.

The lease liability is subsequently measured at amortised cost using effective interest method. It is remeasured when there is a change in future lease payments.

Extension and termination of lease

The Group determines the lease term as the noncancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Short term leases

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

Impairment for right of use of assets

Right of use assets are tested for impairment whenever there is any indication that their carrying amount is not recoverable. Impairment loss, if any, is recognised in Statement of Profit and Loss.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(i) Employee benefits

(i) Short-term employee benefits

Wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for the employee services is recognised as an expense as the related service is rendered by employees. The liabilities are presented as current employee benefit obligations in the balance sheet. A liability is recognised for the amount expected to be paid under short term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post Employment employee benefits

Defined benefit plan

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

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Defined contribution plan

The Group's contribution towards employee's provident fund for employees of the Parent Company is a defined contribution plan. The Group makes specified monthly contributions towards employee provident fund. The Group's contribution paid/payable under the schemes is recognised as employee benefits expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Other long term employee benefits - Compensated absences

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(j) Income tax

Income tax expense comprises current and deferred tax.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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

Deferred taxes

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Deferred tax liabilities on taxable temporary differences arising from investments in subsidiaries are not recognised if the Group is able to control the timing of the reversal and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the taxes are also recognised in other comprehensive income or directly in equity respectively.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

1.3 MATERIAL ACCOUNTING POLICIES (Continued)

(k) Provisions, contingent liabilities and contingent asset

Provisions

A provision is recognised if, as a result of past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

(a) Onerous Contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Group recognises any impairment loss on the assets associated with that contract.

(b) Site restoration costs

The Group uses various premises on lease to run its operation and records a provision for decommission costs to be incurred for the restoration of these premises at the end of the lease period. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is expensed as incurred and recognised in the Statement of Profit and Loss as an interest expense. The estimated future costs of decommissioning and interest rate are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities

A contingent liability exists when there is a possible but not probable obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation arising from the past event, that may, but probably will not, require an outflow of resources embodying economic benefits, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed in the financial statements unless the possibility of outflow of resources is remote.

Contingent assets

Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments (three months or less from the date of acquisition) that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements

for the year ended 31 March 2024

(n) Earnings per share

Basic earnings per share are computed by dividing the net profit or loss for the year after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year after tax for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where the results are anti-dilutive.

(o) Share based payments

In respect of stock options granted pursuant to the Group's Employee Stock Option Scheme, the Group recognises employee compensation expense, using the grant date fair value in accordance with Ind-AS 102 - Share Based Payment, on straight line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

(p) Corporate social responsibility (CSR)

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

(q) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

2 Property, plant and equipment

(Amounts in ₹ million)

| Particulars | Computer and Peripherals | Electrical Fittings | Furniture & Fixtures | Office Equipments | Vehicles | Leasehold Improvements | Total |
|---|-----------------------------|------------------------|-------------------------|----------------------|-------------|---------------------------|---------------|
| Gross carrying Amount as at 1 April 2022 | 123.81 | 13.41 | 12.16 | 19.76 | 1.63 | 37.58 | 208.35 |
| Additions | 50.40 | - | 22.94 | 19.63 | - | 110.67 | 203.64 |
| Disposals/ Adjustments | (0.23) | (13.41) | - | (9.82) | - | - | (23.46) |
| Exchange differences on translation of foreign operations | 0.04 | - | 0.06 | 0.05 | - | - | 0.15 |
| Gross carrying amount as at 31 March 2023 | 174.02 | - | 35.16 | 29.62 | 1.63 | 148.25 | 388.68 |
| Additions | 14.20 | - | 0.34 | 1.92 | - | 6.98 | 23.44 |
| Disposals/ Adjustments | (0.35) | - | - | - | - | - | (0.35) |
| Exchange differences on translation of foreign operations | 0.20 | - | 0.11 | (0.07) | - | 0.09 | 0.33 |
| Gross carrying amount as at 31 March 2024 | 188.07 | - | 35.61 | 31.47 | 1.63 | 155.32 | 412.10 |
| Accumulated depreciation as at 1 April 2022 | 24.59 | 0.07 | 0.47 | 1.13 | 0.25 | 0.75 | 27.26 |
| Additions | 42.93 | - | 2.34 | 3.22 | 0.25 | 10.01 | 58.75 |
| Disposals/ Adjustments | - | (0.07) | - | - | - | - | (0.07) |
| Exchange differences on translation of foreign operations | (0.10) | - | (0.06) | (0.04) | - | (0.01) | (0.21) |
| Accumulated depreciation as at 31 March 2023 | 67.42 | - | 2.75 | 4.31 | 0.50 | 10.75 | 85.73 |
| Additions | 44.11 | - | 3.98 | 6.22 | 0.25 | 19.07 | 73.63 |
| Disposals | - | - | - | - | - | - | - |
| Exchange differences on translation of foreign operations | 0.32 | - | 0.17 | 0.01 | - | 0.09 | 0.59 |
| Accumulated depreciation as at 31 March 2024 | 111.85 | - | 6.90 | 10.54 | 0.75 | 29.91 | 159.95 |
| Net carrying amount as at 31 March 2023 | 106.60 | - | 32.41 | 25.31 | 1.13 | 137.50 | 302.95 |
| Net carrying amount as at 31 March 2024 | 76.22 | - | 28.71 | 20.93 | 0.88 | 125.41 | 252.15 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

as at 31 March 2024

3 Right-of-use assets

The Company primarily has leased rental office premises across multiple locations. The leases typically run for a period of 2 to 9 years, with an option to renew the lease after that date. The weighted average rate applied is 6.95% (31 March 2023: 7.40%).

(Amounts in ₹ million)

| | Buildings | Motor vehicles | Total |
|---|---------------|----------------|---------------|
| Gross carrying amount as at 1 April 2022 | 302.57 | 2.94 | 305.51 |
| Additions | 181.28 | - | 181.28 |
| Disposals | - | - | - |
| Exchange differences on translation of foreign operations | 0.34 | - | 0.34 |
| Gross carrying amount as at 31 March 2023 | 484.19 | 2.94 | 487.13 |
| Additions | 34.72 | - | 34.72 |
| Disposals | - | - | - |
| Exchange differences on translation of foreign operations | 1.09 | - | 1.09 |
| Gross carrying amount as at 31 March 2024 | 520.00 | 2.94 | 522.94 |
| Accumulated amortisation as at 1 April 2022 | 25.67 | 0.32 | 25.99 |
| Additions | 61.98 | 0.98 | 62.96 |
| Disposals | - | - | - |
| Exchange differences on translation of foreign operations | 0.04 | - | 0.04 |
| Accumulated Amortisation as at 31 March 2023 | 87.69 | 1.30 | 88.99 |
| Additions | 73.12 | 0.99 | 74.11 |
| Disposals | - | - | - |
| Exchange differences on translation of foreign operations | 0.88 | - | 0.88 |
| Accumulated amortisation as at 31 March 2024 | 161.69 | 2.29 | 163.98 |
| Net carrying amount as at 31 March 2023 | 396.50 | 1.64 | 398.14 |
| Net carrying amount as at 31 March 2024 | 358.31 | 0.65 | 358.96 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) as at 31 March 2024

4 Goodwill

A summary of changes in the carrying amount of goodwill is as follows : (Amounts in ₹ million)

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------------|---------------|---------------|
| Carrying value at the beginning | 97.40 | 95.18 |
| Currency translation differences | 3.53 | 2.22 |
| Carrying value at the end | 100.93 | 97.40 |

The allocation of goodwill to operating segments as at 31 March 2024 and 31 March 2023 is as follows :

| Particulars | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| The carrying amount of goodwill has been allocated to CGU as follows: | | |
| Software consultancy and service | 100.93 | 97.40 |
| Total | 100.93 | 97.40 |

The recoverable amount has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions. As at 31 March 2024, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 18.76% (31 March 2023: 17.2%). The cash flows beyond 5 years have been extrapolated assuming 2% long-term growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

Sensitivity analysis

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

| Particulars | 31 March 2024 | 31 March 2023 |
|----------------------------|---------------|---------------|
| Discount rate | 3.36% | 2.20% |
| Terminal Value Growth Rate | -7.15% | -3.40% |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

(Amounts in ₹ million)

5 Other intangible assets

| Particulars | Software licenses | Total |
|---|-------------------|--------------|
| Gross carrying amount as at 1 April 2022 | 6.99 | 6.99 |
| Additions | 11.53 | 11.53 |
| Disposals/ Adjustments | - | - |
| Exchange differences on translation of foreign operations | - | - |
| Gross carrying amount as at 31 March 2023 | 18.52 | 18.52 |
| Additions | 0.68 | 0.68 |
| Disposals/ Adjustments | - | - |
| Exchange differences on translation of foreign operations | (0.01) | (0.01) |
| Gross carrying amount as at 31 March 2024 | 19.19 | 19.19 |
| Accumulated amortisation as at 1 April 2022 | 2.08 | 2.08 |
| Additions | 3.52 | 3.52 |
| Disposals/ Adjustments | - | - |
| Exchange differences on translation of foreign operations | - | - |
| Accumulated amortisation as at 31 March 2023 | 5.60 | 5.60 |
| Additions | 5.82 | 5.82 |
| Disposals/ Adjustments | - | - |
| Exchange differences on translation of foreign operations | - | - |
| Accumulated amortisation as at 31 March 2024 | 11.42 | 11.42 |
| Net carrying amount as at 31 March 2023 | 12.92 | 12.92 |
| Net carrying amount as at 31 March 2024 | 7.77 | 7.77 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

(Amounts in ₹ million)

| 6 Non Current Investment | 31 March 2024 | | 31 March 2023 | |
|---|---------------|--------|---------------|---------------|
| | Numbers | Amount | Numbers | Amount |
| Investments Carried at fair value through OCI | | | | |
| Investments in equity instrument fully paid up (unquoted) | | | | |
| -Thane Janata Sahakari Bank Limited (Shares of Rs. 50 each) | - | - | 1,001 | 0.05 |
| Total non-current investments | | - | | 0.05 |
| Aggregate value of unquoted investments | | - | | 0.05 |
| | | | 31 March 2024 | 31 March 2023 |
| 7 Other non-current financial assets | | | | |
| Unsecured, considered good | | | | |
| Security deposits | | | 34.62 | 33.45 |
| Fixed deposits held as margin money against guarantees with banks (maturity of more than 12 months) (refer note a) | | | 59.43 | 52.18 |
| | | | 94.05 | 85.63 |
| Unsecured, credit impaired | | | | |
| Security deposits | | | 0.60 | 0.60 |
| Less: Allowances for credit impaired balances | | | (0.60) | (0.60) |
| | | | - | - |
| Total | | | 94.05 | 85.63 |
| Note a: Lien against bank guarantee of Rs.59.18 million (31 March 2023 Rs.52.18 million) | | | | |
| 8(a) Other tax assets (net) - non current | | | | |
| Advance tax and TDS (Net of provision for tax : 31 March 2024 - Rs. 398.24 million, 31 March 2023 - Rs. 368.16 million) * | | | 289.72 | 221.78 |
| Total | | | 289.72 | 221.78 |
| *Income tax paid under protest is of Rs 17.23 million (31 March 2023 Rs.20.92 million) | | | | |
| 8(b) Current tax liabilities (net) | | | | |
| Provision for tax (Net advance tax: 31 March 2024 - Rs 211.80 million, 31 March 2023 - Rs. 115.80 million) | | | 22.18 | 7.06 |
| Total | | | 22.18 | 7.06 |
| 9 Other non-current assets | | | | |
| (Unsecured, considered good, unless stated otherwise) | | | | |
| Deferred Contract cost (refer note 24(d)) | | | | |
| Cost of obtaining contracts | | | 9.47 | - |
| Cost of fulfilment of contracts | | | 50.97 | 16.17 |
| Prepaid expenses | | | 1.30 | 4.55 |
| Balances with government authorities | | | 0.23 | 95.21 |
| Total | | | 61.97 | 115.93 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) as at 31 March 2024

(Amounts in ₹ million)

10 Current investments

(Investments carried at FVTPL)

| | 31 March 2024 | | 31 March 2023 | |
|--|---------------|--------------|---------------|--------------|
| | Numbers | Amount | Numbers | Amount |
| <i>Investments in Mutual funds (quoted)</i> | | | | |
| IDFC Government Securities Fund - Investment Plan - Growth - Regular Plan* | 6,88,292.83 | 22.20 | 6,88,292.83 | 20.30 |
| HDFC Credit Risk Debt Fund - Regular Plan - Growth * | 7,22,011.23 | 15.73 | 7,22,011.23 | 14.63 |
| Total | | 37.93 | | 34.93 |

*Lien against bank guarantee of Rs. 20.85 million (31 March 2023 Rs. 20.85 million)

Aggregate value of quoted investments 37.93 34.93

11 Trade receivables

Trade receivables considered good – secured

Unsecured, considered good

| | 31 March 2024 | 31 March 2023 |
|----------|-----------------|---------------|
| Billed | 949.03 | 729.80 |
| Unbilled | 230.24 | 231.24 |
| | 1,179.27 | 961.04 |

Unsecured, credit impaired (refer note a)

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Billed | 291.93 | 212.96 |
| Less: Allowance for credit impaired receivables | (291.93) | (212.96) |
| | - | - |

Unbilled - Others

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Less: Allowance for credit impaired balances | 0.53 | - |
| | (0.53) | - |
| | - | - |

Total 1,179.27 961.04

Note a: The Group's exposure to credit risk, currency risk and loss allowance related to trade receivables are disclosed in note 36.

The trade receivables ageing schedule for the years ended as on 31 March 2024, 31 March 2023 is as follows:

| Ageing schedule as at 31 March 2024 | Not due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---------|--------------------|-----------------|-----------|-----------|-------------------|-----------------|
| (i) Undisputed Trade receivables- considered good | 562.87 | 295.19 | 73.14 | 17.06 | - | 0.77 | 949.03 |
| (ii) Undisputed Trade receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables- credit impaired | 55.64 | 20.77 | 14.76 | 168.03 | 9.56 | 23.17 | 291.93 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- credit impaired | - | - | - | - | - | - | - |
| | 618.51 | 315.96 | 87.90 | 185.09 | 9.56 | 23.94 | 1,240.96 |
| Add: Unbilled dues | | | | | | | 230.77 |
| | | | | | | | 1,471.73 |
| Less: Allowance for credit impaired Receivables | | | | | | | (292.46) |
| Total | | | | | | | 1,179.27 |

| Ageing schedule as at 31 March 2023 | Not Due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---------|--------------------|-----------------|-----------|-----------|-------------------|---------------|
| (i) Undisputed Trade Receivables- considered good | 173.88 | 174.55 | 345.72 | 28.36 | - | 7.29 | 729.80 |
| (ii) Undisputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade Receivables- credit impaired | 9.53 | 28.75 | 143.32 | 12.78 | 10.87 | 7.71 | 212.96 |
| (iv) Disputed Trade Receivables - considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade Receivables- which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade Receivables- credit impaired | - | - | - | - | - | - | - |
| | 183.41 | 203.30 | 489.04 | 41.14 | 10.87 | 15.00 | 942.76 |
| Add: Unbilled dues | | | | | | | 231.24 |
| | | | | | | | 1,174.00 |
| Less: Allowance for credit impaired receivables | | | | | | | (212.96) |
| Total | | | | | | | 961.04 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) as at 31 March 2024

(Amounts in ₹ million)

12 Cash and cash equivalents

Cash on hand*

- -

Balances with banks

- On current account

406.17 579.39

406.17 579.39

*Amount is below rounding off limits

13 Bank balances other than cash and cash equivalents

On current account (unclaimed dividend)

0.19 0.15

Deposits with original maturity of less than three months*

- 10.00

Deposits in banks with maturity above 3 months but less than 12 months held as margin money against guarantees*

110.60 85.51

Total

110.79 95.66

* Lien against bank guarantees of Rs.109.63 million (31 March 2023 Rs.95.51 million)

14 Other current financial assets

Unsecured, considered good

Interest receivable

5.66 3.22

Security deposit

13.97 10.04

Total

19.63 13.26

15 Other current assets

Unsecured, considered good

Contract Assets (refer note 24(b))

1,385.31 1,268.56

Deferred Contract Cost (refer note 24(d))

Cost of obtaining a contracts

201.49 263.22

Cost of fulfilment of contracts

0.49 6.48

Prepaid expenses

105.39 66.29

Advance to suppliers

2.76 6.56

Employee advances

15.73 0.36

Goods and service tax input credit receivable

30.08 12.51

1,741.25 1,623.98

Unsecured, Credit impaired

Contract Assets (refer note 24(b))

314.75 128.33

Less: Allowances for credit impaired balances (refer note 36)

(314.75) (128.33)

- -

1,741.25 1,623.98

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

(Amounts in ₹ million)

16 Equity Share capital

31 March 2024 31 March 2023

Authorised:

11,000,000 Equity Shares of Rs. 10 each
(31 March 2023 11,000,000 Equity Shares of Rs. 10 each)

110.00 110.00

110.00 110.00

Issued, subscribed and fully paid-up shares:

7,641,585 Equity Shares of Rs. 10 each
(31 March 2023 7,641,585 Equity Shares of Rs. 10 each)

76.42 76.42

76.42 76.42

Footnotes:

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

| | 31 March 2024 | | 31 March 2023 | |
|--|---------------|--------|---------------|--------|
| | Number | Amount | Number | Amount |
| Equity shares of Rs. 10 each fully paid up | | | | |
| Equity shares outstanding at the beginning of the year | 76,41,585 | 76.42 | 76,41,585 | 76.42 |
| Movement during the year | - | - | - | - |
| Equity shares outstanding at the end of the year | 76,41,585 | 76.42 | 76,41,585 | 76.42 |

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

| | 31 March 2024 | | 31 March 2023 | |
|---|---------------|--------------|---------------|--------------|
| | No. | % of holding | No. | % of holding |
| Equity share of Rs. 10 each fully paid up | | | | |
| Baring India Private Equity Fund II | 44,48,008 | 58.21% | 44,48,008 | 58.21% |
| Batlivala and Karani Securities India Private Limited | 7,06,250 | 9.24% | 7,06,250 | 9.24% |
| Rashmi Agarwal | 4,65,000 | 6.09% | 4,65,000 | 6.09% |
| Rajesh Mirjankar | 4,17,893 | 5.47% | 4,17,893 | 5.47% |
| Maninder Mahabir Singh | 4,14,101 | 5.42% | 4,14,101 | 5.42% |
| Manoj Murarka | 3,97,956 | 5.21% | 3,97,956 | 5.21% |
| | 68,49,208 | 89.63% | 68,49,208 | 89.63% |

(c) Details of shareholders holding of promoters:

| | 31 March 2024 | | | 31 March 2023 | | |
|---|------------------|--------------|--------------------------|------------------|--------------|--------------------------|
| | Number of shares | % of holding | % change during the year | Number of shares | % of holding | % change during the year |
| Equity share of Rs. 10 each fully paid up | | | | | | |
| Shaina Rahul Agarwal | 15,000 | 0.20% | 0% | 15,000 | 0.20% | 0% |
| Priya Agarwal | 50,000 | 0.65% | 0% | 50,000 | 0.65% | 0% |
| Jai Rahul Agarwal | 66,707 | 0.87% | 0% | 66,707 | 0.87% | 0% |
| Rohit Agarwal | 1,50,000 | 1.96% | 0% | 1,50,000 | 1.96% | 0% |
| Global Fintech Private Limited | 3,50,000 | 4.58% | 0% | 3,50,000 | 4.58% | 0% |
| Manoj Murarka | 3,97,956 | 5.21% | 0% | 3,97,956 | 5.21% | 0% |
| Maninder Mahabir Singh | 4,14,101 | 5.42% | 0% | 4,14,101 | 5.42% | 0% |
| Rajesh Mirjankar | 4,17,893 | 5.47% | 0% | 4,17,893 | 5.47% | 0% |
| Rashmi Agarwal | 4,65,000 | 6.09% | 0% | 4,65,000 | 6.09% | 0% |
| Batlivala and Karani Securities India Private Limited | 7,06,250 | 9.24% | 0% | 7,06,250 | 9.24% | 0% |
| | 30,32,907 | 39.69% | | 30,32,907 | 39.69% | |

(d) There were no bonus shares issued, shares issued for consideration other than cash and shares bought back by the Company in the earlier years.

(e) Details of rights, preferences and restrictions attached to the equity shareholders:

The Company has only one class of equity shares having a face value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Shareholders have all other rights available to equity shareholders as per the provision of Companies Act, 2013 read together with Memorandum of Association and Articles of Association of the Company, as applicable.

(f) Employee Stock Option Scheme

The Company had reserved issuance of 96,500 (Previous year 96,500) equity shares of Rs.10 each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOS). The option vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria. (refer note 33.2).

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

(Amounts in ₹ million)

17 Other equity

31 March 2024 31 March 2023

A. Movement in reserves and surplus

Reserves and surplus consists of:

| | | |
|---|-----------------|-----------------|
| i) Retained Earnings (refer note C(a) given below) | 2,510.71 | 2,481.44 |
| ii) Securities premium (refer note C(b) given below) | 28.50 | 28.50 |
| iii) Capital Redemption Reserve (refer note C(c) given below) | 7.16 | 7.16 |
| iv) General Reserve (refer note C(d) given below) | 65.88 | 65.88 |
| (v) Other items of OCI (refer note C(e) given below) | 62.39 | 32.20 |
| Total (A) | 2,674.64 | 2,615.18 |

(i) Retained earnings

| | | |
|--------------------------|-----------------|-----------------|
| Opening balance | 2,481.44 | 2,092.23 |
| Add: Profit for the year | 86.58 | 542.04 |
| Less : Interim dividend | (57.31) | (152.83) |
| Closing balance | 2,510.71 | 2,481.44 |

(ii) Securities premium

| | | |
|--------------------------------|--------------|--------------|
| Opening balance | 28.50 | 28.50 |
| Add: Additions during the year | - | - |
| Closing balance | 28.50 | 28.50 |

(iii) Capital redemption reserve

| | | |
|--------------------------------|-------------|-------------|
| Opening balance | 7.16 | 7.16 |
| Add: Additions during the year | - | - |
| Closing balance | 7.16 | 7.16 |

(iv) General reserve

| | | |
|--------------------------------|--------------|--------------|
| Opening balance | 65.88 | 65.88 |
| Add: Additions during the year | - | - |
| Closing balance | 65.88 | 65.88 |

B. Movement in other items of OCI

i) Remeasurements of the defined benefit plans

| | | |
|--------------------------------|----------------|----------------|
| Opening balance | (24.47) | (6.53) |
| Add: Additions during the year | 3.28 | (17.94) |
| Closing balance | (21.19) | (24.47) |

ii) Exchange differences on translating the financial statements of a foreign operation

| | | |
|---|--------------|--------------|
| Opening balance | 56.67 | 9.90 |
| Add: Exchange differences in translating the financial statements of foreign operations | 26.91 | 46.77 |
| Closing balance | 83.58 | 56.67 |

Total (B)

| | |
|-------|-------|
| 62.39 | 32.20 |
|-------|-------|

Total Other equity

| | |
|----------|----------|
| 2,674.64 | 2,615.18 |
|----------|----------|

C. Nature and purpose of reserves

- (a) Retained earnings represent the amount of accumulated earnings of the Group.
- (b) Securities Premium account is created on recording of premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013
- (c) Capital Redemption Reserve represents reserve created during buy back of Equity Shares and it is a non-distributable reserve.
- (d) General Reserve is created from time to time by way of transfer of profits from Retained Earnings.
- (e) (i) Remeasurements of the defined benefit plans - Comprises actuarial losses arising due to gratuity which is accumulated in Other comprehensive income and will not be reclassified to statement of profit and loss.
- (ii) Exchange differences on translation of foreign operations: This comprise of all exchange differences arising from translation of financial statements of foreign operations.

31 March 2024 31 March 2023

D. Dividends

The following dividends were declared and paid by the Company during the year:

| | | |
|--|-------|--------|
| Interim dividend Rs. 7.5 per equity share (31 March 2023: Rs. 20 per equity share) | 57.31 | 152.83 |
|--|-------|--------|

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

(Amounts in ₹ million)

31 March 2024 31 March 2023

18 Lease liabilities

| | | |
|-------------------------------|---------------|---------------|
| Non-current lease liabilities | 327.28 | 359.45 |
| Current lease liabilities | 60.75 | 50.68 |
| Total | 388.03 | 410.13 |

(a) Movement in lease liabilities:

| | | |
|--|---------------|---------------|
| Opening balance at the beginning of the year | 410.13 | 277.23 |
| Additions during the year | 34.72 | 173.58 |
| Finance cost accrued during the year (refer note 27) | 27.72 | 25.43 |
| Repayment of lease liabilities | (84.05) | (66.11) |
| Foreign exchange (gain)/loss | (0.49) | - |
| Closing balance at the end of the year | 388.03 | 410.13 |

(b) Details of amounts recognised in the Statement of Profit and Loss:

| | | |
|--|-------|-------|
| Finance cost on lease liabilities (refer note 27) | 27.72 | 25.43 |
| Expenses relating to short term leases (refer note 29) | 28.21 | 20.82 |

(c) Details of amounts recognised in the Statement of cash flows:

| | | |
|------------------------------|-------|-------|
| Total cash outflow of leases | 84.05 | 66.11 |
|------------------------------|-------|-------|

(d) Maturity analysis of lease liabilities:

| | | |
|----------------------|---------------|---------------|
| Less than one year | 84.94 | 27.62 |
| One to five years | 272.42 | 320.80 |
| More than five years | 125.63 | 130.81 |
| | 482.99 | 479.23 |

19 Provisions-non current

| | | |
|--|--------------|--------------|
| Provision for employee benefits | | |
| Gratuity (refer note 33.1) | 36.37 | 8.53 |
| Other provisions | | |
| Provision for site restoration costs * | 3.06 | 2.85 |
| | 39.43 | 11.38 |

*Movement of Provision for site restoration costs:

| | | |
|--|-------------|-------------|
| Opening balance at the beginning of the year | 2.85 | 1.46 |
| Add: Provision made during the year | - | 1.23 |
| Add: Unwinding of discount (refer note 27) | 0.21 | 0.16 |
| Closing balance at the end of the year | 3.06 | 2.85 |

20 Trade payables

| | | |
|--|---------------|---------------|
| Total outstanding dues of micro enterprises and small enterprises; | 21.52 | 2.34 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 234.52 | 136.74 |
| Total | 256.04 | 139.08 |

Note: Information about the Company's exposure to foreign currency risk and liquidity risk is disclosed in note 36.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
as at 31 March 2024

(Amounts in ₹ million)

20 Trade payables (Continued)

The trade payables ageing schedule for the years ended as on 31 March 2024, 31 March 2023 is as follows:

| Ageing schedule as at 31 March 2024 | Accrued expenses | Outstanding for the following periods from the due date of payment | | | | Total |
|-------------------------------------|------------------|--|-------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed - MSME | - | 21.52 | - | - | - | 21.52 |
| (ii) Undisputed - Others | 93.29 | 135.31 | 2.13 | 2.36 | 1.43 | 234.52 |
| (iii) Disputed - MSME | - | - | - | - | - | - |
| (iv) Disputed - Others | - | - | - | - | - | - |
| Total | 93.29 | 156.83 | 2.13 | 2.36 | 1.43 | 256.04 |

| Ageing schedule as at 31 March 2023 | Accrued expenses | Outstanding for the following periods from the due date of payment | | | | Total |
|-------------------------------------|------------------|--|-------------|-------------|-------------------|---------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) Undisputed - MSME | - | 2.34 | - | - | - | 2.34 |
| (ii) Undisputed - Others | 93.99 | 36.61 | 3.81 | 1.97 | 0.36 | 136.74 |
| (iii) Disputed - MSME | - | - | - | - | - | - |
| (iv) Disputed - Others | - | - | - | - | - | - |
| Total | 93.99 | 38.95 | 3.81 | 1.97 | 0.36 | 139.08 |

21 Other current financial liabilities

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Unclaimed dividend | 0.20 | 0.15 |
| Accrued employee costs | 161.27 | 141.85 |
| Payable in respect of property, plant and equipment | 3.13 | 1.67 |
| Payable towards cost of obtaining a contract | 459.36 | 577.72 |
| | 623.96 | 721.39 |

22 Other current liabilities

| | | |
|-------------------------|---------------|---------------|
| Advances from customers | 12.79 | 23.53 |
| Unearned revenue | 441.91 | 284.00 |
| Statutory dues payable | 97.16 | 156.44 |
| | 551.86 | 463.97 |

23 Provisions - current

| | | |
|--|--------------|---------------|
| Provision for employee benefits | | |
| Gratuity (refer note 33.1) | 48.48 | 59.20 |
| Compensated absences (refer note 33.1) | 50.08 | 52.81 |
| | 98.56 | 112.01 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

24 Revenue from operations

| | 31 March 2024 | 31 March 2023 |
|--------------------------------|-----------------|-----------------|
| Revenue from products | 2,686.73 | 2,937.03 |
| Revenue from software services | 1,169.19 | 1,156.43 |
| | <u>3,855.92</u> | <u>4,093.46</u> |

Reconciliation of revenue recognised with the contracted price is as follows:

| | | |
|---------------------------------------|-----------------|-----------------|
| Contracted price | 3,989.19 | 4,399.08 |
| Less: Amortisation of contract assets | (133.27) | (305.62) |
| | <u>3,855.92</u> | <u>4,093.46</u> |

Revenue from operations

a) Disaggregation of revenue

The group disaggregates revenue from contracts with customers by business segment and nature of contracts, geography and timing of revenue recognition. The Company believes that the below disaggregation best depicts the nature, amount, timing and uncertainty of revenue and cash flows from economic factors.

Revenue by business segment and nature of contracts

| | | |
|-----------------------|-----------------|-----------------|
| Sale of products | 2,686.73 | 2,937.03 |
| Rendering of services | 1,169.19 | 1,156.43 |
| | <u>3,855.92</u> | <u>4,093.46</u> |

Revenue from contracts with customers disaggregated based on geography

| | | |
|----------|-----------------|-----------------|
| Domestic | 1,800.19 | 1,908.61 |
| Exports | 2,055.73 | 2,184.85 |
| | <u>3,855.92</u> | <u>4,093.46</u> |

Timing of revenue recognition

| | | |
|--|-----------------|-----------------|
| Sale and supply of product and services transferred over time | 3,690.75 | 4,071.69 |
| Sale and supply of product and services transferred at a point of time | 165.17 | 21.77 |
| | <u>3,855.92</u> | <u>4,093.46</u> |

b) Trade receivables and Contract balances:

The group classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue for time and material contracts are recognised as related services are performed. Revenue for fixed price maintenance and support services contracts is recognised on a straight line basis over the period of the contract.

Revenue recognition for fixed price contracts is based on percentage of completion method. Invoicing to the clients is based on milestones as defined in the contract. This would result in the timing of revenue recognition being different from the timing of billing the customers.

Revenues in excess of billings is recorded as unbilled receivables and is classified as a trade receivable when right to consideration is unconditional upon passage of time and as a contract asset (unbilled revenue) under non-financial assets when the contractual right to consideration is dependent on completion of contractual milestones.

Unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognised when rights become unconditional.

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Unbilled revenue (contract assets) (refer note 15) | 1,700.06 | 1,396.89 |
| Unearned revenue (contract liability) (refer note 22) | 441.91 | 284.00 |
| Billed Trade Receivables (refer note 11) | 1,240.96 | 729.80 |
| Unbilled Trade Receivables (refer note 11) | 230.77 | 231.24 |

Changes in Unbilled revenue during the year is as follows:

| | | |
|--------------------------------------|-----------------|-----------------|
| Balance at the beginning of the year | 1,396.89 | 414.85 |
| Invoiced during the year | (679.31) | (278.97) |
| Revenue recognised during the years | 966.35 | 1,261.01 |
| Foreign exchange gain/(loss) | 16.13 | - |
| | <u>1,700.06</u> | <u>1,396.89</u> |

Balance at the end of the year

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

The unearned revenue primarily relate to the advance consideration received on contracts entered with customers for which no work is performed at the reporting date, and therefore revenue will be recognised when rights become unconditional. Invoicing in excess of earnings are classified as unearned revenue.

| | (Amounts in ₹ million) | |
|--|------------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| Changes in unearned revenue during the year is as follows: | | |
| Balance at the beginning of the year | 284.00 | 323.08 |
| Revenue recognised during the year | (195.37) | (331.06) |
| Invoiced during the years | 347.30 | 291.98 |
| Foreign exchange gain/(loss) | 5.98 | - |
| Balance at the end of the year | 441.91 | 284.00 |

24 Revenue from operations (Continued)

c) Performance Obligation

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the group has applied the practical expedient in Ind AS 115. Accordingly, the group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc).

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 1,570.08 million out of which 69.96% is expected to be recognised as revenue in the next year and balance thereafter. No consideration from the contracts with customers is excluded from the amount mentioned above.

| | (Amounts in ₹ million) | |
|-----------------------------------|------------------------|---------------|
| | 31 March 2024 | 31 March 2023 |
| d) Deferred Contract cost: | | |

Changes in Cost to fulfil a contract during the year is as follows:

| | | |
|--|--------------|--------------|
| Balance at the beginning of the year | 22.65 | 22.41 |
| Cost incurred during the period qualifying as contract fulfilment cost | 29.90 | 6.57 |
| Amortised during the year | (1.09) | (6.33) |
| Balance at the end of the year | 51.46 | 22.65 |

Changes in Cost of obtaining a contract during the year is as follows:

| | | |
|--|---------------|---------------|
| Balance at the beginning of the year | 263.22 | 302.07 |
| Cost incurred during the period qualifying as contract fulfilment cost | 77.79 | 266.77 |
| Amortised to revenue during the year | (133.27) | (305.62) |
| Foreign exchange gain/(loss) | 3.23 | - |
| Balance at the end of the year | 210.96 | 263.22 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
for the year ended 31 March 2024

| | (Amounts in ₹ million) | |
|--|------------------------|-----------------|
| | 31 March 2024 | 31 March 2023 |
| 25 Other income | | |
| Interest income on financial assets carried at amortised cost | | |
| -On term deposit | 6.64 | 5.22 |
| Interest income on financial assets at FVTPL | | |
| -On security deposits | 1.24 | 1.04 |
| Other non-operating incomes | | |
| Income on investments carried at fair value through profit or loss | | |
| - Gain on fair valuation of investment | 3.00 | - |
| Gain on sale of investments carried at FVTPL (net) | 0.23 | 14.16 |
| Gain on sale of Property, plant and equipment (net) | - | 0.18 |
| Gain on foreign currency transaction (net) | - | 1.30 |
| Interest on income tax refund | 7.66 | - |
| Liabilities no longer required, written back | 0.22 | 4.45 |
| Miscellaneous income | 0.93 | 0.88 |
| | 19.92 | 27.23 |
| 26 Employee benefits expense | | |
| Salaries, wages and incentives | 2,225.41 | 2,028.88 |
| Contribution to gratuity (refer note no. 33.1) | 21.17 | 13.33 |
| Contribution to provident and other defined contribution funds | 91.57 | 82.52 |
| Staff welfare expenses | 14.36 | 18.25 |
| | 2,352.51 | 2,142.98 |
| 27 Finance costs | | |
| Interest expense on lease liabilities | 27.72 | 25.43 |
| Unwinding of discount on site restoration provision | 0.21 | 0.16 |
| | 27.93 | 25.59 |
| 28 Depreciation and amortisation expense | | |
| Depreciation of Property, plant and equipment | 73.63 | 58.74 |
| Amortisation of Other intangible asset | 5.82 | 3.52 |
| Depreciation on Right-of-use of asset | 74.11 | 62.96 |
| | 153.56 | 125.23 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

29 Other expenses

| | 31 March 2024 | 31 March 2023 |
|--|-----------------|-----------------|
| Software development and maintenance services | 375.05 | 308.80 |
| Manpower cost | 61.74 | 82.34 |
| Computer hardware | 39.61 | 6.92 |
| Power and fuel | 23.38 | 14.07 |
| Short term leases (refer note 18) | 28.21 | 20.82 |
| Repairs and maintenance - others | 1.00 | 3.46 |
| Insurance | 42.22 | 33.80 |
| Payments to auditors (refer note 31) | 12.39 | 11.62 |
| Travelling and conveyance | 188.68 | 253.26 |
| Communication expenses | 11.00 | 10.05 |
| Business promotion | 29.83 | 33.64 |
| Legal and professional fees | 23.40 | 18.42 |
| Directors advisory fees | 4.11 | 4.13 |
| Upkeeping and maintenance | 23.89 | 19.85 |
| Expenditure on corporate social responsibility (CSR) (refer note 40) | 11.65 | 11.54 |
| Impairment loss recognised under expected credit loss model | 260.60 | 162.24 |
| Computer consumables | 40.05 | 44.89 |
| Bad debts written off | - | 8.45 |
| Unbilled revenue written off | 8.70 | 2.02 |
| Loss on foreign currency transaction (net) | 6.47 | - |
| Rates and taxes | 3.67 | 6.47 |
| Recruitment expenses | 13.85 | 20.76 |
| Loss on fair valuation of investment | - | 5.59 |
| Miscellaneous expenses | 12.70 | 15.46 |
| | <u>1,222.20</u> | <u>1,098.60</u> |

30 Earning per share (EPS)

| | | |
|--|--------------|--------------|
| Profit for the year attributable to owners of the Group (Amounts in ₹ million) | 86.58 | 570.87 |
| Weighted average number of equity shares outstanding at year end (Nos. in million) | 7.64 | 7.64 |
| Basic earnings per share | 11.33 | 74.71 |
| Profit for the year attributable to owners of the Group (Amounts in ₹ million) | 86.58 | 570.87 |
| Weighted average number of equity shares outstanding at year end (Nos. in million) | 7.64 | 7.64 |
| Less: Effect of share options | 0.00 | 0.01 |
| Weighted average number of equity shares outstanding at year end (diluted) (Nos. in million) | 7.64 | 7.65 |
| Diluted earnings per share | 11.33 | 74.61 |
| Face value per equity share (in Rs.) | 10.00 | 10.00 |

31 Payments to auditors (excluding GST)

| | | |
|----------------------------|--------------|--------------|
| As Auditor | 11.11 | 10.68 |
| For other services | 0.97 | 0.73 |
| For Out of pocket expenses | 0.31 | 0.21 |
| | <u>12.39</u> | <u>11.62</u> |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
for the year ended 31 March 2024

32 Income taxes

A) Income tax recognised in Statement of Profit and Loss

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Current tax | | |
| Current year | 90.78 | 62.12 |
| Changes in estimates related to prior years | 0.26 | (0.67) |
| Deferred tax | | |
| Relating to origination and reversal of temporary differences | (57.98) | 124.80 |
| Total | 33.06 | 186.25 |

B) Income tax recognised in other comprehensive income

(Amounts in ₹ million)

| | 31 March 2024 | | | 31 March 2023 | | |
|--|---------------|-----------------------|------------|---------------|-----------------------|------------|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| Items that will not be reclassified subsequently to statement of profit or loss | | | | | | |
| Remeasurements of defined benefit plans | 4.28 | (1.00) | 3.28 | (22.84) | 4.90 | (17.94) |

C) Reconciliation of effective tax rate

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Profit before tax | 119.64 | 728.29 |
| Tax using the parent group's domestic tax rate of 25.168% (both years) | 30.11 | 183.30 |
| Tax effect of: | | |
| Differences in tax rates in foreign jurisdictions | 18.41 | (9.38) |
| Expenses not deductible for tax purposes | 8.05 | 2.91 |
| Income taxable at lower rates | (0.04) | - |
| Changes in estimates related to prior years | (0.62) | (0.67) |
| Deduction under section 80M of Income Tax Act, 1961 | (14.42) | (29.61) |
| Previously recognised deferred tax assets written off | (7.40) | 21.19 |
| Deferred tax assets not recognised because not probable | 2.47 | 1.86 |
| Exempt income | (1.07) | (2.13) |
| Non refundable Withholding taxes paid | 0.55 | 3.48 |
| Deferred tax charge on undistributed profits of subsidiaries | (8.62) | 10.28 |
| Others | 9.18 | 5.02 |
| Income tax expense | 36.60 | 186.25 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

32 Deferred taxes

D) Recognised deferred tax assets and liabilities

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Intangible assets | 2.16 | 2.92 |
| Allowance for credit impaired balances | 31.66 | 16.70 |
| Provisions - employee benefits | 55.86 | 51.09 |
| Unbilled revenue | 11.27 | 6.75 |
| Others | 2.99 | 3.21 |
| Leases | 89.94 | 99.54 |
| Unabsorbed business losses | 0.09 | - |
| Deferred tax assets | 193.97 | 180.21 |
| Property, plant and equipment | 1.11 | 5.62 |
| Investments at fair value through profit or loss | 4.30 | 3.55 |
| Undistributed profits of subsidiaries | 35.14 | 60.69 |
| Right-of-use assets | 82.89 | 96.80 |
| Deferred tax liabilities | 123.44 | 166.66 |
| Deferred tax assets (net) | 70.53 | 13.55 |

E) Movement in temporary differences

| | Opening balance 1 April 2023 | Recognised in profit or loss | Recognised in OCI | Closing balance 31 March 2024 |
|--|---------------------------------|---------------------------------|----------------------|----------------------------------|
| Deferred tax assets | | | | |
| Intangible assets | 2.92 | (0.76) | - | 2.16 |
| Allowance for credit impaired balances | 16.70 | 14.96 | - | 31.66 |
| Provisions - employee benefits | 51.09 | 5.77 | (1.00) | 55.86 |
| Unbilled revenue | 6.75 | 4.52 | - | 11.27 |
| Others | 3.21 | (0.22) | - | 2.99 |
| Leases | 99.54 | (9.60) | - | 89.94 |
| Unabsorbed business losses | - | 0.09 | - | 0.09 |
| Deferred tax assets | 180.21 | 14.76 | (1.00) | 193.97 |
| Property, plant and equipment | 5.62 | (4.51) | - | 1.11 |
| Investments at fair value through profit or loss | 3.55 | 0.75 | - | 4.30 |
| Undistributed profits of subsidiaries | 60.69 | (25.55) | - | 35.14 |
| Right-of-use assets | 96.80 | (13.91) | - | 82.89 |
| Deferred tax liabilities | 166.66 | (43.22) | - | 123.44 |
| Deferred tax assets (net) | 13.55 | 57.98 | (1.00) | 70.53 |

| | Opening balance 1 April 2022 | Recognised in profit or loss | Recognised in OCI | Closing balance 31 March 2023 |
|--|---------------------------------|---------------------------------|----------------------|----------------------------------|
| Deferred tax assets | | | | |
| Intangible assets | 3.81 | (0.89) | - | 2.92 |
| Allowance for credit impaired balances | 15.28 | 1.42 | - | 16.70 |
| Provisions - employee benefits | 20.65 | 25.41 | 4.90 | 51.09 |
| Unbilled revenue | 179.93 | (173.19) | - | 6.75 |
| Others | 2.17 | 1.04 | - | 3.21 |
| Leases | 67.45 | 32.10 | - | 99.54 |
| Unabsorbed business losses | 1.22 | (1.22) | - | - |
| Deferred tax assets | 290.51 | (115.33) | 4.90 | 180.21 |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | 3.17 | 2.45 | - | 5.62 |
| Investments at fair value through profit or loss | 4.95 | (1.40) | - | 3.55 |
| Capitalised contract costs | 0.84 | (0.84) | - | - |
| Undistributed profits of subsidiaries | 80.01 | (19.32) | - | 60.69 |
| Right-of-use assets | 68.22 | 28.58 | - | 96.80 |
| Deferred tax liabilities | 157.19 | 9.47 | - | 166.66 |
| Deferred tax assets (net) | 133.32 | (124.80) | 4.90 | 13.55 |

The Company has not recognised deferred tax liability on undistributed profits of certain subsidiaries amounting to Rs. 91.72 million and Rs. 96.38 million as at 31 March 2024 and 31 March 2023 respectively, because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

Ministry of Corporate Affairs ("MCA"), under the Companies (Indian Accounting Standards) Amendment Rules, 2023, issued an amendment to Ind AS 12 Income Taxes related Assets and Liabilities arising from a Single Transaction such as leases and decommissioning obligations. This amendment is effective from the beginning of comparative period presented i.e. 1 April 2022. There is a change in Deferred tax component disclosure from net to gross for right to use assets and lease liabilities for the Company. There is no impact on opening retained earnings or consolidated statement of profit and loss for the year ended 31 March 2024. Accordingly, the opening and closing balances of deferred tax assets and deferred tax liabilities have been restated as 31 March 2023 and 2022.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

33.1 Employee benefits

(a) Gratuity benefits

In accordance with the Indian law, the Company provides for gratuity, a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to employees who have rendered atleast five years of continuous service at retirement, death while in employment or on termination of employment in an amount equivalent to 15 days of salary payable for each completed year of service subject to a maximum payment of Rs. 2 million. The Company provides gratuity benefit through annual contributions to fund managed by the Life Insurance Corporation of India (LIC). LIC administers the plan and determines the contribution required to be paid by the Company. The present value of the defined benefit obligation and the related current service cost were measured using the "projected unit credit method", with actuarial valuation being carried out at each Balance Sheet date by a qualified actuary.

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Amount to be recognised in Balance Sheet | | |
| Present value of defined benefit obligation | 122.54 | 112.57 |
| Fair value of plan assets | (37.69) | (44.72) |
| Net Liability | <u>84.85</u> | <u>67.85</u> |
| Amounts in the Balance Sheet: | | |
| Liabilities | | |
| Current | 48.48 | 59.20 |
| Non-current | 36.37 | 8.53 |
| Present Value of defined benefit obligation | | |
| Projected benefit obligation at the beginning of the year | 112.45 | 78.45 |
| Current service cost | 16.73 | 11.89 |
| Interest cost | 7.69 | 3.99 |
| Benefits paid | (10.27) | (1.89) |
| Actuarial (gain)/losses | (4.48) | 20.01 |
| Foreign Exchange gain/loss | 0.42 | - |
| Projected benefit obligation at the end of the year (A) | <u>122.54</u> | <u>112.45</u> |
| Fair Value of plan asset | | |
| Fair Value of plan assets at beginning of the year | 44.72 | 45.11 |
| Expected return | 3.25 | 2.56 |
| Contributions by employer | 0.06 | 2.79 |
| Benefits paid | (10.27) | (6.29) |
| Actuarial gains | (0.21) | 0.55 |
| Others | 0.14 | - |
| Fair Value of plan assets at end of the year (B) | <u>37.69</u> | <u>44.72</u> |
| Amount recognised in Balance Sheet (A) - (B) | 84.85 | 67.73 |
| Included in OCI | | |
| Opening amount recognised in OCI | 31.56 | 8.72 |
| Demographic assumptions | - | (1.75) |
| Financial assumptions | 0.39 | 0.29 |
| Experience adjustment | (4.88) | 24.84 |
| Return on plan assets excluding interest income | 0.21 | (0.54) |
| | <u>27.28</u> | <u>31.56</u> |
| Expense recognised in Statement of Profit and Loss | | |
| Current service cost | 16.73 | 11.89 |
| Interest cost | 7.69 | 3.99 |
| Expected return on plan assets | (3.25) | (2.55) |
| Total included in "Employee benefit expenses" (refer note 26) | <u>21.17</u> | <u>13.33</u> |
| Return on plan assets | | |
| Expected return on plan assets | (3.25) | (2.55) |
| Actuarial gains | (0.21) | 0.54 |
| Actual return on plan assets | (3.46) | (2.00) |

The expected rate of return on plan assets is based on the expectation of the average long term rate of return expected on investments of the funds during the estimated term of the obligation. Expected contributions to the fund during the year ended 31 March 2024 is Rs. 45.10 million (31 March 2023: Rs. 44.13 million)

| | | |
|---------------------------|------|------|
| Category of Assets | | |
| Insurance fund | 100% | 100% |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

33.1 Employee benefits (Continued)

The principal assumptions used in determining the gratuity benefit are shown below:

| | | |
|--|---------------------|------------|
| Salary escalation rate | 5.00% to 8.00% p.a. | 8.00% |
| Expected rate of return on plan assets | 7.16% p.a. | 7.29% p.a. |
| Discount rate | 4.60% to 7.16% p.a. | 7.29% p.a. |

The estimates of future salary increases, considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the long term yield on government bonds. Assumptions regarding future mortality are based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| Defined Benefit Obligation on current assumptions | 122.54 | 112.45 |
| + 1% change in discount rate | (3.77) | (2.69) |
| - 1% change in discount rate | 4.07 | 2.89 |
| + 1% change in salary escalation rate | 3.80 | 2.66 |
| - 1% change in salary escalation rate | (3.63) | (2.56) |

The Defined Benefit Obligation shall mature after year ended 31 March 2024 as follows -

| | |
|----------------------|-------|
| Year Ending March 31 | |
| 2025 | 21.35 |
| 2026 | 18.48 |
| 2027 | 15.77 |
| 2028 | 14.31 |
| 2029 | 12.14 |
| Thereafter | 47.19 |

(b) Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident fund, which is a defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue and the amount recognised as an expense towards contribution. The Company recognised a charge of Rs. 70.10 million to the Statement of Profit and Loss during the year ended 31 March 2024 (31 March 2023: Rs. 62.05 million) towards defined contribution plan.

(c) Compensated absences

Compensated absences as at the Balance sheet date, determined on the basis of actuarial valuation based on the "projected unit credit method" is as below:

| | | |
|------------|-------|-------|
| Provisions | | |
| Current | 50.08 | 52.81 |

The principal assumptions used in determining the compensated absences are shown below:

| | | |
|------------------------|------------|------------|
| Salary escalation rate | 8.00% | 8.00% |
| Discount rate | 7.16% p.a. | 7.29% p.a. |

The Company recognised a charge of compensated absences of Rs. 6.76 million (31 March 2023: Rs. 25.21 million) under "Employee benefits expense" in the Statement of Profit and Loss.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

33.2 Employee Stock Option Scheme

Employee Stock Option Scheme 2011 ('ESOP Scheme 2011')

The Company instituted the ESOP 2011 Scheme under which 268,000 stock options have been allocated for a grant to employees. The Scheme was approved by the shareholders of the Company to grant maximum 275,000 stock options at the Extra Ordinary General Meeting held on 11 February 2011. These options vest over a period of four years from the date of the grant & the employees will be allotted with shares of the company post exercising the options.

The vesting period shall be as follows:

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

The below table represents status of the Scheme as at 31 March 2024 and 31 March 2023:

| Particulars | 31 March 2024 | | |
|---|---------------|----------------|------------|
| | No of shares | Exercise price | Fair value |
| Outstanding at the beginning of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the beginning of the year Tranche II | 69,500 | 361 | 361 |
| Granted | - | - | - |
| Exercised | - | - | - |
| Forfeited | - | - | - |
| Lapsed - Tranche I | - | - | - |
| Lapsed - Tranche II | - | - | - |
| Outstanding at the end of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the end of the year Tranche II | 69,500 | 361 | 361 |
| Exercised at the end of the year | - | - | - |

| Particulars | 31 March 2023 | | |
|---|---------------|----------------|------------|
| | No of shares | Exercise price | Fair value |
| Outstanding at the beginning of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the beginning of the year Tranche II | 69,500 | 361 | 361 |
| Granted | - | - | - |
| Exercised | - | - | - |
| Forfeited | - | - | - |
| Lapsed - Tranche I | - | - | - |
| Lapsed - Tranche II | - | - | - |
| Outstanding at the end of the year Tranche I | 27,000 | 190 | 185 |
| Outstanding at the end of the year Tranche II | 69,500 | 361 | 361 |
| Exercised at the end of the year | - | - | - |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
for the year ended 31 March 2024

(Amounts in ₹ million)

- 34 Related party transactions**
Disclosures as required by the Ind AS 24 "Related Party Disclosures" are given below:

A) List of related parties

a) Key management personnel (KMP)

Rajesh Satish Mirjankar - Chief Executive Officer ('CEO') and Managing Director ('MD')
Kankesh Kamath - Chief Financial Officer ('CFO')
Rashmi Agarwal - Non-executive Director

b) Directors

Non-executive directors

Rahul Bhasin
Debanshi Basu
Mitali Chitre

Independent directors

Milind Chalisgaonkar
Rangan Mohan

c) Entity in which Director is holding directorship

SK Finance Ltd.

Note: There is no relative of the KMPs who is having control over reporting entity, its subsidiaries and any entity with which the reporting entity/its subsidiaries has any relation

d) Details of subsidiaries with percentage holding is summarised below:

| Subsidiaries | Percentage of holding of Parent Company | Country of incorporation |
|---|---|--------------------------|
| Infrasoft Technologies FZ LLC | 100% | United Arab Emirates |
| Infrasoft Technologies (Jersey) Limited | 100% | Jersey |
| Infrasoft Technologies Guernsey Limited | 100% | Guernsey |
| Infrasoft Technologies Limited (UK) | 100% | United Kingdom |
| Infrasoft Technologies Inc. | 100% | United States of America |
| InfrasoftTech Canada Limited | 100% | Canada |
| Infrasoft Technologies Pte. Limited | 100% | Singapore |
| Infrasoft Technologies SDN BHD. | 100% | Malaysia |

B) Transactions with related parties

Key management personnel compensation

Short term benefits (including bonus and value of perquisites)

| | 31 March 2024 | 31 March 2023 |
|-------------------------|---------------|---------------|
| Rajesh Satish Mirjankar | 18.66 | 18.37 |
| Kankesh Kamath | 9.17 | 9.03 |
| Rashmi Agarwal | 6.76 | 6.58 |

Post employment benefits

| | | |
|-------------------------|------|------|
| Rajesh Satish Mirjankar | 2.18 | 2.17 |
| Kankesh Kamath | 0.98 | 0.91 |
| Rashmi Agarwal | - | 0.23 |

Advisory fees to non-executive / independent directors

| | | |
|--------------------------|------|------|
| Mr. Milind Chalisgaonkar | 1.80 | 1.80 |
| Mr. Rangan Mohan | 1.20 | 1.20 |

Entity in which Director is holding directorship

| | | |
|-----------------------------|------|------|
| Software development income | 2.03 | 0.69 |
|-----------------------------|------|------|

C) Balances outstanding with related parties

Details of key management personnel compensation payable*

| | 31 March 2024 | 31 March 2023 |
|--------------------------|---------------|---------------|
| Mr. Milind Chalisgaonkar | 0.80 | - |
| Mr. Rangan Mohan | 0.09 | 0.09 |

**As on 31 March 2024 travelling expenses due to Mr. Rajesh Mirjankar of is Rs. 0.02 million which have been subsequently paid)*

D) Significant related party transactions

| | 31 March 2024 | 31 March 2023 |
|---|---------------|---------------|
| <i>Entity in which Director is holding directorship</i> | | |
| SK Finance Ltd. | 2.03 | 0.69 |

E) Corporate Guarantee given by subsidiaries

| | | |
|--------------------------------------|---|---|
| Infrasoft Technologies Limited (UK)* | - | - |
|--------------------------------------|---|---|

*Corporate guarantee given towards bank overdraft facilities from HSBC bank India amounting to ₹2.10 million equivalent to Rs. 188.87 million.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

for the year ended 31 March 2024

(Amounts in ₹ million)

35 Fair value measurements

(i) Financial instrument by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

| As at 31 March 2024 | Carrying amount | | | | Fair Value | | | |
|------------------------------------|-----------------|----------|-----------------|-----------------|--------------|----------|----------|--------------|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| (i) Investment | 37.93 | - | - | 37.93 | 37.93 | - | - | 37.93 |
| (ii) Other financial assets | | | | | | | | |
| Security deposits | - | - | 48.59 | 48.59 | - | - | - | - |
| Fixed deposit | - | - | 59.43 | 59.43 | - | - | - | - |
| Others | - | - | 5.66 | 5.66 | - | - | - | - |
| (iii) Trade receivables | - | - | 1,179.27 | 1,179.27 | - | - | - | - |
| (iv) Cash and cash equivalents | - | - | 406.17 | 406.17 | - | - | - | - |
| (v) Other bank balances | - | - | 110.79 | 110.79 | - | - | - | - |
| | 37.93 | - | 1,809.91 | 1,847.84 | 37.93 | - | - | 37.93 |
| Financial liabilities | | | | | | | | |
| (i) Lease liability | - | - | 388.03 | 388.03 | - | - | - | - |
| (i) Trade payables | - | - | 256.04 | 256.04 | - | - | - | - |
| (iii) Other financials liabilities | - | - | 623.96 | 623.96 | - | - | - | - |
| | - | - | 1,268.03 | 1,268.03 | - | - | - | - |

| As at 31 March 2023 | Carrying amount | | | | Fair Value | | | |
|------------------------------------|-----------------|-------------|-----------------|-----------------|--------------|----------|-------------|--------------|
| | FVTPL | FVOCI | Amortised cost | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | | | | | |
| (i) Investment | 34.93 | 0.05 | - | 34.98 | 34.93 | - | 0.05 | 34.98 |
| (ii) Other financial assets | | | | | | | | |
| Security deposits | 43.49 | - | - | 43.49 | 43.49 | - | - | 43.49 |
| Fixed deposit | - | - | 52.18 | 52.18 | - | - | - | - |
| Others | - | - | 3.22 | 3.22 | - | - | - | - |
| (iii) Trade receivables | - | - | 961.04 | 961.04 | - | - | - | - |
| (iv) Cash and cash equivalents | - | - | 579.39 | 579.39 | - | - | - | - |
| (v) Other bank balances | - | - | 95.66 | 95.66 | - | - | - | - |
| | 78.42 | 0.05 | 1,691.49 | 1,769.96 | 78.42 | - | 0.05 | 78.47 |
| Financial liabilities | | | | | | | | |
| (i) Lease liability | - | - | 410.13 | 410.13 | - | - | - | - |
| (i) Trade payables | - | - | 139.08 | 139.08 | - | - | - | - |
| (iii) Other financials liabilities | - | - | 721.39 | 721.39 | - | - | - | - |
| | - | - | 1,270.60 | 1,270.60 | - | - | - | - |

ii) Fair value hierarchy

The fair value of financial instruments as referred to in note (i) above have been classified into three categories depending on the inputs used in the valuation technique. The categories used are as follows:

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

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

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

iii) Measurement of Fair Value

In determining the fair value of its financial instruments, the group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices (NAV). All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. The following methods and assumptions were used to estimate the fair values:

a) The fair values of investments in mutual fund units is based on the net asset value ("NAV") as stated by the issuers of mutual funds. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

b) The Management assesses that fair values of trade receivables, cash and cash equivalents, other bank balances, trade payables, other current liabilities and other financial liabilities (current), approximate to their carrying amounts largely due to the short-term maturities of these instruments.

c) The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the group does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

d) For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

iv) There have been no transfers between Level 1 and Level 2 for the years ended 31 March 2024, 31 March 2023.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

for the year ended 31 March 2024

36 Risk management framework

The Group has a risk management policy which covers risks associated with the financial assets and liabilities. The risk management policy is approved by the Board of Directors. The focus of the risk management committee is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Group.

Financial Risk Management

The Entity has exposure to the following risks arising from financial instruments:

- i) Credit risk (Refer A)
- ii) Liquidity risk (Refer B)
- iii) Market risk (Refer C)

This note presents information about the Entity's exposure to each of the above risks, the Entity's objectives, policies and processes for measuring and managing risk, and the Entity's management of capital

A) Credit Risk

Credit risk is the risk that a customer or counterparty fails to meet its contractual obligations resulting in financial loss to the Company. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables unbilled revenue (contract assets) and security deposits. Trade receivables, unbilled revenue (contract assets) and security deposits are typically unsecured and are derived from revenue from customers majorly located in India, UAE, UK and Channel Islands, Singapore, and North America. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of the customers to which the Company grants credit terms in the normal course of business. In determining allowance for credit losses of trade receivables and unbilled revenue, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of the receivables and rates used in the provision matrix.

Credit risk exposure:

The Company's credit period is generally 30 days. The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 March 2024 and 31 March 2023

| (Amounts in ₹ million) | | | |
|------------------------------------|----------------------------|-----------------------|---------------|
| 31 March 2024 | Weighted-average loss rate | Gross carrying amount | Amount of ECL |
| Trade receivables | | | |
| Not due | 7.35% | 757.47 | 55.65 |
| 0-90 Days | 5.82% | 331.54 | 19.29 |
| 91-180 Days | 2.55% | 75.97 | 1.94 |
| 181-270 Days | 14.90% | 85.30 | 12.71 |
| 271-360 Days | 78.36% | 2.62 | 2.05 |
| > 360 Days | 91.77% | 218.83 | 200.82 |
| Total | | 1,471.73 | 292.46 |
| Unbilled revenue (contract assets) | 18.51% | 1,700.06 | 314.75 |

| | | | |
|------------------------------------|----------------------------|-----------------------|---------------|
| 31 March 2023 | Weighted average loss rate | Gross carrying amount | Amount of ECL |
| Trade receivables | | | |
| Not due | 2.30% | 415.09 | 9.53 |
| 0-90 Days | 9.99% | 148.01 | 14.78 |
| 91-180 Days | 25.34% | 55.29 | 14.01 |
| 181-270 Days | 29.12% | 483.20 | 140.71 |
| 271-360 Days | 47.59% | 5.40 | 2.57 |
| > 360 Days | 46.80% | 67.01 | 31.36 |
| Total (A) | | 1,174.00 | 212.96 |
| Unbilled revenue (contract assets) | 9.19% | 1,396.89 | 128.33 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

Risk management framework (Continued)

(Amounts in ₹ million)

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

Movement in the allowance for impairment losses in respect of billed trade receivables:

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Opening balance | 212.96 | 116.21 |
| Charge during the year | 75.34 | 88.73 |
| Exchange differences on account of translation | 3.63 | 8.02 |
| Closing balance | 291.93 | 212.96 |

Movement in the allowance for impairment losses in respect of unbilled trade receivables:

| | | |
|--|-------------|---|
| Opening balance | - | - |
| Charge during the year | 0.53 | - |
| Exchange differences on account of translation | - | - |
| Closing balance | 0.53 | - |

Movement in the allowance for impairment losses in respect of contract assets:

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Opening balance | 128.33 | 50.29 |
| Charge during the year | 184.73 | 73.51 |
| Exchange differences on account of translation | 1.69 | 4.53 |
| Closing balance | 314.75 | 128.33 |

(ii) Security deposits

The Group had security deposits of Rs. 0.6 million and Rs. 0.6 million as at 31 March 2024 and 31 March 2023 respectively which have been considered as doubtful by the Group. The Group has provided such doubtful deposits in the respective years.

(iii) Term deposits, Bank balances and Investments in mutual funds

The Group's exposure in term deposits, balances with banks and investments in mutual funds is limited, as the counterparties are highly rated banks and asset management companies.

B) Liquidity risk

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

Tabulated below is the Group's remaining contractual maturities of financial liabilities as at the reporting date with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

| Contractual maturities of financial liabilities | As at 31 March 2024 | | | | Total |
|---|---------------------|------------------|-------------------|---------------|-----------------|
| | Carrying amount | Less than 1 year | Between 1–5 years | Over 5 years | |
| Other financial liabilities | 623.96 | 623.96 | - | - | 623.96 |
| Trade payables | 162.75 | 162.75 | - | - | 162.75 |
| Accrued expenses | 93.29 | 93.29 | - | - | 93.29 |
| Lease liabilities | 388.03 | 84.94 | 272.42 | 125.63 | 482.99 |
| Total Financial liabilities | 1,268.03 | 964.94 | 272.42 | 125.63 | 1,362.99 |

| Contractual maturities of financial liabilities | As at 31 March 2023 | | | | Total |
|---|---------------------|------------------|-------------------|---------------|-----------------|
| | Carrying amount | Less than 1 year | Between 1–5 years | Over 5 years | |
| Other financial liabilities | 721.39 | 721.39 | - | - | 721.39 |
| Trade payables | 45.09 | 45.09 | - | - | 45.09 |
| Accrued expenses | 93.99 | 93.99 | - | - | 93.99 |
| Lease liabilities | 410.13 | 78.01 | 261.23 | 192.30 | 531.54 |
| Total Financial liabilities | 1,270.60 | 938.49 | 261.23 | 192.30 | 1,392.02 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

Risk management framework (Continued)

C) Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group operates internationally and a major portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales and services in the United Kingdom, North America and elsewhere. The Groups exposure to market risk is primarily on account of foreign currency exchange rate risk.

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 Group's operations result in it being exposed to foreign currency risk on account of trade receivables, trade payables, bank balances and other receivables/ payables. The foreign currency risk may affect the Group's income and expenses, or its financial position and cash flows. The objective of the Group's Management of foreign currency risk is to maintain these risk within acceptable parameters, while optimising returns.

a) Foreign exchange risk

The below table presents foreign currency risk from non-derivative financial instruments as at 31 March 2024 and 31 March 2023

(Amounts in ₹ million)

| Foreign Currency exposure | Currency | As at 31 March 2024 | | As at 31 March 2023 | |
|------------------------------|------------------|---------------------|-------------|---------------------|-------------|
| | | Amount in FC | Amount in ₹ | Amount in FC | Amount in ₹ |
| Financial assets | | | | | |
| Trade Receivables | USD | 0.45 | 37.36 | 0.40 | 32.83 |
| | GBP | 0.02 | 2.11 | - | - |
| | LKR | - | - | 0.12 | 0.03 |
| | BTN | 1.64 | 1.64 | 1.64 | 1.64 |
| | AED | 3.71 | 84.25 | 0.61 | 13.63 |
| | SGD | 0.11 | 7.01 | 0.13 | 7.74 |
| Cash and Bank balances | USD | 0.02 | 1.43 | 0.49 | 40.17 |
| | GBP | - | - | 0.00 | 0.00 |
| | AED | 0.30 | 6.90 | 0.05 | 1.13 |
| | SGD | 0.07 | 4.41 | 0.11 | 6.86 |
| | BHD | 0.01 | 2.11 | 0.00 | 0.94 |
| | Unbilled Revenue | USD | 0.23 | 19.57 | 0.00 |
| GBP | | 0.06 | 6.11 | 0.05 | 35.79 |
| LKR | | - | - | 0.84 | 0.21 |
| AED | | 0.50 | 11.40 | 0.92 | 20.60 |
| Financial liabilities | | | | | |
| Trade payables | USD | - | - | 0.09 | 7.37 |
| | AED | 0.11 | 2.50 | 0.06 | 1.42 |
| | SGD | - | - | 0.01 | 0.84 |
| | EUR | - | - | - | 0.21 |
| | BHD | 0.00 | 0.07 | - | - |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

Risk management framework (Continued)

The foreign exchange rate sensitivity is calculated by aggregation of the net foreign exchange rate exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 1% against the respective functional currencies of the Group.

As at 31 March 2024 and 2023, respectively, every 1% increase/decrease in the respective foreign currencies compared to functional currency of the Group would impact results by the following:

(Amounts in ₹ million)

| | Impact on profit before tax | | Impact on equity | |
|-------------------------|-----------------------------|---------------|------------------|---------------|
| | 31 March 2024 | 31 March 2023 | 31 March 2024 | 31 March 2023 |
| USD/ INR increase by 1% | 48.64 | 0.66 | 36.40 | 0.49 |
| USD/ INR decrease by 1% | (48.64) | (0.66) | (36.40) | (0.49) |
| GBP/ INR increase by 1% | 8.65 | 0.05 | 6.47 | 0.04 |
| GBP/ INR decrease by 1% | (8.65) | (0.05) | (6.47) | (0.04) |
| LKR/ INR increase by 1% | - | 0.00 | - | 0.00 |
| LKR/ INR decrease by 1% | - | (0.00) | - | (0.00) |
| AED/ INR increase by 1% | 22.70 | 0.34 | 16.99 | 0.25 |
| AED/ INR decrease by 1% | (22.70) | (0.34) | (16.99) | (0.25) |
| SGD/ INR increase by 1% | 7.04 | 0.14 | 5.27 | 0.10 |
| SGD/ INR decrease by 1% | (7.04) | (0.14) | (5.27) | (0.10) |
| BHD/ INR increase by 1% | 4.51 | 0.01 | 3.38 | 0.01 |
| BHD/ INR decrease by 1% | (4.51) | (0.01) | (3.38) | (0.01) |
| BTN/ INR increase by 1% | 0.02 | 0.02 | 0.01 | 0.01 |
| BTN/ INR decrease by 1% | (0.02) | (0.02) | (0.01) | (0.01) |

ii) Interest rate risk

Interest rate risk generally arises from long term borrowings with variable rates which exposes a Group against cash flow and fair value interest rate risk. There are no borrowings in the Group hence, interest rate risk is not applicable.

37 Capital Management

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

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

38 Operating segments

A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The Group's CODM is the Chief Executive Office and Managing Director.

The Business segment comprises of Products and Services related to Fin Tech digital solutions for the banking and financial sector. Revenue and Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of revenue ratio. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities are used interchangeably amongst segments. Allocation of such assets and liabilities is not practicable and any forced allocation would not result in any meaningful segregation. Hence, assets and liabilities have not been identified to any of the reportable segments. Summarised segment information for the years ended 31 March 2024 and 2023 is as follows:

The following summary describes the operations in each of the Group's reportable segments:

| Reportable segments | Operations |
|---------------------|------------------|
| Products | Sale of products |
| Services | Sale of services |

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Group's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

| Year ended 31 March 2024 (Amounts in ₹ million) | | | | |
|--|---------------------|-----------------|-----------------|-----------------|
| | Reportable segments | | | |
| | Product | Service | Unallocable | Total |
| Segment revenue: | | | | |
| - External revenues | 2,686.73 | 1,169.19 | - | 3,855.92 |
| Total segment revenue | 2,686.73 | 1,169.19 | - | 3,855.92 |
| Earnings before other income, finance costs, depreciation, impairment loss on financial and non-financial assets, foreign exchange gain/(loss) (net), unallocable payroll and travel costs, other corporate expenses and tax | 1,042.93 | 299.10 | - | 1,342.03 |
| Segment results | 1,042.93 | 299.10 | - | 1,342.03 |
| Reconciliation to profit/(loss) before tax: | | | | |
| Other income/(loss) (including interest income and gain on fair valuation) | | | 19.92 | 19.92 |
| Finance costs | | | (27.93) | (27.93) |
| Depreciation and amortisation expense | - | - | (153.56) | (153.56) |
| Impairment loss on financial assets | (75.87) | - | - | (75.87) |
| Impairment losses on non-financial assets | (184.73) | - | - | (184.73) |
| Foreign exchange | | | - | - |
| Unallocable employee benefit expenses | - | - | (442.17) | (442.17) |
| Unallocable travel cost | - | - | (70.29) | (70.29) |
| Other unallocable expenses | - | - | (287.76) | (287.76) |
| Profit/(loss) before tax | 782.33 | 299.10 | (961.79) | 119.64 |
| Capital expenditure during the year | - | - | (24.12) | (24.12) |
| <u>Other material items of income and expense and non-cash items:</u> | | | | |
| - Change in fair value of financial assets | - | - | 3.00 | 3.00 |
| - Profit on sale of investments carried at fair value (net) | - | - | 0.23 | 0.23 |
| <u>- Other material items of income / (expenses)</u> | | | | |
| (i) Travelling and conveyance | (112.71) | (5.68) | (70.29) | (188.68) |
| (ii) Software development and maintenance service | (372.80) | (2.25) | - | (375.05) |
| (iii) Computer Hardware | (39.61) | - | - | (39.61) |
| Segment assets | | | | |
| Segment assets include: | | | | |
| Goodwill on consolidation | - | 100.93 | - | 100.93 |
| <u>Deferred contract cost</u> | | | | |
| (i) Cost of obtaining contracts | 210.96 | - | - | 210.96 |
| (ii) Cost of fulfilment | 51.46 | - | - | 51.46 |
| Trade receivables (net of allowance for credit impaired receivables) | 980.21 | 199.06 | - | 1,179.27 |
| Unbilled revenue (net of allowance for credit impaired receivables) | 1,385.31 | - | - | 1,385.31 |
| Reconciliation to total assets: | | | | |
| Current and non-current financial assets ⁽ⁱ⁾ | - | - | 668.57 | 668.57 |
| Tangible and intangible assets ⁽ⁱⁱ⁾ | - | - | 618.88 | 618.88 |
| Non-current tax assets | - | - | 289.72 | 289.72 |
| Deferred tax assets (net) | - | - | 70.53 | 70.53 |
| Other unallocable assets ⁽ⁱⁱⁱ⁾ | - | - | 155.49 | 155.49 |
| Total segment assets | 2,627.94 | 299.99 | 1,803.19 | 4,731.12 |
| Segment liabilities | | | | |
| Payable with respect to cost of obtaining contracts | 453.85 | 5.51 | - | 459.36 |
| Unearned revenue | 405.69 | 36.22 | - | 441.91 |
| Trade payables [*] | 165.58 | 3.37 | 87.09 | 256.04 |
| Reconciliation to total liabilities: | | | | |
| Current and non-current financial liabilities ^(iv) | - | - | 552.63 | 552.63 |
| Current tax liabilities (net) | - | - | 22.18 | 22.18 |
| Provisions and other current liabilities ^(v) | - | - | 247.94 | 247.94 |
| Total segment liabilities | 1,025.12 | 45.10 | 909.84 | 1,980.06 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

for the year ended 31 March 2024

* Travel cost directly attributable to the reportable segments have been allocated to the respective segments while calculating segment results. However, it is not practicable to allocate trade payables pertaining to travel cost to the reportable segments. This note is to bring this asymmetrical allocation to the notice of the readers of the financial statements.

(i) includes security deposits, FDs with banks against guarantees, investment in mutual funds, cash and bank balances, and interest receivable

(ii) includes property, plant and equipment, ROU assets and other intangible assets

(iii) includes balances with Govt. authorities, prepaid expenses, and advances to suppliers and employees

(iv) includes lease liability, accrued employee cost, and capital creditors

(v) includes provisions for employee benefits, statutory dues payable, and advances from customers

Year ended 31 March 2023

(Amounts in ₹ million)

| Reportable segments | | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | Product | Service | Unallocable | Total |
| Segment revenue: | | | | |
| - External revenues | 2,937.03 | 1,156.43 | - | 4,093.46 |
| Total segment revenue | 2,937.03 | 1,156.43 | - | 4,093.46 |
| Earnings before other income, finance costs, depreciation, impairment loss on financial and non-financial assets, foreign exchange gain/(loss) (net), unallocable payroll and travel costs, other corporate expenses and tax | 1,508.66 | 312.39 | - | 1,821.06 |
| Segment results | 1,508.66 | 312.39 | - | 1,821.06 |
| Reconciliation to profit/(loss) before tax: | | | | |
| Other income/(loss) (including interest income and gain on fair valuation) | | | 25.92 | 25.92 |
| Finance costs | | | (25.59) | (25.59) |
| Depreciation and amortisation expense | - | - | (125.23) | (125.23) |
| Impairment loss on financial assets | (80.30) | (8.43) | - | (88.73) |
| Impairment losses on non-financial assets | (73.51) | - | - | (73.51) |
| Foreign exchange | | | 1.30 | 1.30 |
| Unallocable employee benefit expenses | - | - | (417.41) | (417.41) |
| Unallocable travel cost | | | (104.10) | (104.10) |
| Other unallocable expenses | | | (285.42) | (285.42) |
| Profit/(loss) before tax | 1,354.85 | 303.96 | (930.52) | 728.29 |
| Capital expenditure during the year | - | - | (215.17) | (215.17) |
| <u>Other material items of income and expense and non-cash items:</u> | | | | |
| - Change in fair value of financial assets | - | - | (5.59) | (5.59) |
| - Profit on sale of investments carried at fair value (net) | - | - | 14.16 | 14.16 |
| <u>- Other material items of income / (expenses)</u> | | | | |
| (i) Travelling and conveyance | (117.36) | (31.80) | (104.10) | (253.26) |
| (ii) Software development and maintenance service | (279.20) | (3.50) | - | (282.70) |
| (iii) Computer Hardware | (33.04) | - | - | (33.04) |
| Segment assets | | | | |
| Segment assets include: | | | | |
| Goodwill on consolidation | - | 97.40 | - | 97.40 |
| <u>Deferred contract cost</u> | | | | |
| (i) Cost of obtaining contracts | 263.22 | - | - | 263.22 |
| (ii) Cost of fulfilment | 22.65 | - | - | 22.65 |
| Trade receivables (net of allowance for credit impaired receivables) | 766.20 | 194.84 | - | 961.04 |
| Unbilled revenue (net of allowance for credit impaired receivables) | 1,268.56 | - | - | 1,268.56 |
| Reconciliation to total assets: | | | | |
| Current and non-current financial assets ⁽ⁱ⁾ | | | 808.87 | 808.87 |
| Tangible and intangible assets ⁽ⁱⁱ⁾ | | | 714.01 | 714.01 |
| Non-current tax assets | | | 221.78 | 221.78 |
| Deferred tax assets (net) | | | 13.55 | 13.55 |
| Other unallocable assets ⁽ⁱⁱⁱ⁾ | - | | 185.52 | 185.52 |
| Total segment assets | 2,320.65 | 292.24 | 1,943.72 | 4,556.61 |
| Segment liabilities | | | | |
| Payable with respect to cost of obtaining contracts | 572.89 | 4.83 | - | 577.72 |
| Unearned revenue | 284.00 | - | - | 284.00 |
| Trade payables * | 61.20 | 54.33 | 23.55 | 139.08 |
| Reconciliation to total liabilities: | | | | |
| Current and non-current financial liabilities ^(iv) | - | - | 553.80 | 553.80 |
| Current tax liabilities (net) | | | 7.06 | 7.06 |
| Provisions and other current liabilities ^(v) | | | 303.36 | 303.36 |
| Total segment liabilities | 918.09 | 59.16 | 887.77 | 1,865.02 |

* Travel cost directly attributable to the reportable segments have been allocated to the respective segments while calculating segment results. However, it is not practicable to allocate trade payables pertaining to travel cost to the reportable segments. This note is to bring this asymmetrical allocation to the notice of the readers of the financial statements.

(i) includes security deposits, FDs with banks against guarantees, investment in mutual funds, cash and bank balances, and interest receivable

(ii) includes property, plant and equipment, ROU assets and other intangible assets

(iii) includes balances with Govt. authorities, prepaid expenses, and advances to suppliers and employees

(iv) includes lease liability, accrued employee cost, and capital creditors

(v) includes provisions for employee benefits, statutory dues payable, and advances from customers

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

Reconciliations of information on reportable segments to Ind AS measures

(Amounts in ₹ million)

| | Note | Year ended 31 March 2024 | Year ended 31 March 2023 |
|--|------|--------------------------|--------------------------|
| i. Revenues | | | |
| Total revenue for reportable segments | 23 | 3,855.92 | 4,093.46 |
| Revenue for other segments | | - | - |
| Elimination of inter-segment revenue | | - | - |
| Elimination of revenue of discontinued operation | | - | - |
| Consolidated revenue | | 3,855.92 | 4,093.46 |
| ii. Profit before tax | | | |
| Total profit before tax for reportable segments | | 1,081.43 | 1,821.06 |
| Profit before tax for other segments | | - | - |
| Elimination of inter-segment profits | | - | - |
| Elimination of profit of discontinued operation | | - | - |
| <u>Unallocated amounts:</u> | | | |
| Other income | 24 | 19.92 | 27.23 |
| Other corporate expenses | | (981.71) | (1,119.99) |
| Consolidated profit from continuing operations before tax | | 119.64 | 728.29 |
| iii. Assets | | | |
| Total assets for reportable segments | | 2,927.93 | 2,612.87 |
| Assets for other segments | | - | - |
| Unallocated amounts | | 1,803.19 | 1,943.74 |
| Consolidated total assets | | 4,731.12 | 4,556.61 |
| iv. Liabilities | | | |
| Total liabilities for reportable segments | | 1,070.22 | 977.25 |
| Liabilities for other segments | | - | - |
| Unallocated amounts | | 909.84 | 887.77 |
| Consolidated total liabilities | | 1,980.06 | 1,865.02 |

C. Other material items

Year ended 31 March 2024

(Amounts in ₹ million)

| | Reportable segment | Adjustments | Unallocable amounts | Consolidated Total |
|---|--------------------|-------------|---------------------|--------------------|
| Interest revenue | - | - | 7.88 | 7.88 |
| Interest expense | - | - | 27.93 | 27.93 |
| Other income (excluding interest income) | - | - | 12.04 | 12.04 |
| Capital expenditure during the year | - | - | 24.12 | 24.12 |
| Depreciation and amortisation expense | - | - | 153.56 | 153.56 |
| Impairment losses on financial assets | 75.87 | - | - | 75.87 |
| Impairment losses on non-financial assets | 184.73 | - | - | 184.73 |
| Employee benefit expenses | 1,910.34 | - | 442.17 | 2,352.51 |
| Travel cost | 118.39 | - | 70.29 | 188.68 |
| Other unallocable corporate expenses | - | - | 287.76 | 287.76 |

Year ended 31 March 2023

(Amounts in ₹ million)

| | Reportable segment | Adjustments | Unallocable amounts | Consolidated Total |
|---|--------------------|-------------|---------------------|--------------------|
| Interest revenue | - | - | 6.26 | 6.26 |
| Interest expense | - | - | 25.59 | 25.59 |
| Other income (excluding interest income) | - | - | 20.97 | 20.97 |
| Capital expenditure during the year | - | - | 215.17 | 215.17 |
| Depreciation and amortisation expense | - | - | 125.23 | 125.23 |
| Impairment losses on financial assets | 88.73 | - | - | 88.73 |
| Impairment losses on non-financial assets | 73.51 | - | - | 73.51 |
| Employee benefit expenses | 1,725.57 | - | 417.41 | 2,142.98 |
| Travel cost | 149.16 | - | 104.10 | 253.26 |
| Other unallocable corporate expenses | - | - | 285.42 | 285.42 |

D. Geographical information

The group operates majorly in India, United Kingdom, North America, UAE and others.

The geographical information analyses the Group's revenues and non-current assets by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers and segment assets which have been based on the geographical location of the assets.

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)
for the year ended 31 March 2024

| <i>i. Revenues</i> | | <i>(Amounts in ₹ million)</i> | |
|----------------------|--------------------------|-------------------------------|--|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | |
| India | 1,800.19 | 1,908.61 | |
| United Kingdom | 521.42 | 469.44 | |
| Middle East & Africa | 396.33 | 529.79 | |
| North America | 646.93 | 645.58 | |
| Rest of the world | 491.05 | 540.04 | |
| Total | 3,855.92 | 4,093.46 | |

| <i>ii. Non-Current assets</i> | | <i>(Amounts in ₹ million)</i> | |
|-------------------------------|--------------------------|-------------------------------|--|
| | Year ended 31 March 2024 | Year ended 31 March 2023 | |
| India | 1,086.51 | 881.28 | |
| United Kingdom | 129.19 | 4.06 | |
| Middle East & Africa | 13.70 | 358.37 | |
| North America | 1.96 | 1.12 | |
| Rest of the world | 4.72 | 3.52 | |
| Total | 1,236.08 | 1,248.35 | |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

for the year ended 31 March 2024

39 Additional information required under Schedule III of the Companies Act, 2013

1. List of subsidiaries

Set out below is a list of subsidiaries of the Group

| Name of subsidiary | Principal place of business and place of incorporation | Proportion of ownership interests | |
|---|--|-----------------------------------|---------------|
| | | 31 March 2024 | 31 March 2023 |
| Infrasoft Technologies FZ LLC | UAE | 100% | 100% |
| Infrasoft Technologies Pte. Limited | Singapore | 100% | 100% |
| Infrasoft Technologies SDN BHD. | Malaysia | 100% | 100% |
| Infrasoft Technologies Inc. | USA | 100% | 100% |
| Infrasoft Technologies Limited (UK) | United Kingdom | 100% | 100% |
| Infrasoft Technologies (Jersey) Limited | Jersey | 100% | 100% |
| Infrasoft Technologies Gurensey Limited | Gurensey | 100% | 100% |
| InfrasoftTech Canada Limited | Canada | 100% | 100% |

Additional information pursuant to paragraph 12.3 of Division II of Schedule III to the Companies Act, 2013- 'General Instructions for the preparation of consolidated financial statements' of Division II of Schedule III

| Particulars | Net assets (total assets minus total liabilities) | | Share in profit or loss | | Share in other comprehensive income | | Share in total other comprehensive income | |
|---|---|---------------------|-------------------------------------|---------------------|---|---------------------|---|---------------------|
| | As % of consolidated net assets | Amount in ₹ million | As % of consolidated profit or loss | Amount in ₹ million | As % of consolidated other comprehensive income | Amount in ₹ million | As % of consolidated total other comprehensive income | Amount in ₹ million |
| <u>Parent</u> | | | | | | | | |
| Infrasoft Technologies Ltd. | 87% | 2,380.76 | 171% | 148.01 | 99% | 29.88 | 93% | 177.89 |
| <u>Subsidiaries</u> | | | | | | | | |
| Infrasoft Technologies FZ LLC | 3% | 79.74 | -73% | (62.82) | 1% | 0.31 | 4% | (62.51) |
| Infrasoft Technologies Pte. Limited | 3% | 83.16 | 8% | 6.80 | 0% | - | 5% | 6.80 |
| Infrasoft Technologies SDN BHD. | 0% | 9.85 | -1% | (1.02) | 0% | - | 0% | (1.02) |
| Infrasoft Technologies Inc. | 2% | 67.17 | 1% | 1.07 | 0% | - | 0% | 1.07 |
| Infrasoft Technologies Limited (UK) | 1% | 38.32 | -34% | (29.85) | 0% | - | 0% | (29.85) |
| Infrasoft Technologies (Jersey) Limited | 2% | 41.90 | -18% | (15.58) | 0% | - | -9% | (15.58) |
| Infrasoft Technologies Gurensey Limited | 0% | 4.20 | 1% | 1.04 | 0% | - | 0% | 1.04 |
| InfrasoftTech Canada Limited | 2% | 45.96 | 45% | 38.93 | 0% | - | 7% | 38.93 |
| Total | 100% | 2,751.06 | 100% | 86.58 | 100% | 30.19 | 100% | 116.77 |

40 Corporate social responsibility ('CSR')

As per Section 135 of the Companies Act, 2013, the Company has identified areas including activities for promoting programs that benefit the communities in and around Infrasoft Technologies Limited. The major areas covered for CSR activities are environment sustainability, empowering women and promoting gender equality, poverty reduction, eradicating extreme hunger, promoting education and other social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central and State Govt. funds for socio-economic development and relief etc. These areas will be pursued in phases and in a manner aligned with the CSR rules and regulations. The funds have been contributed to trusts/organisations involved in the above activities and will be utilized on the activities which are specified in Schedule VII of the Companies Act, 2013. The gross amount required to be spent by the Company on CSR activities is Rs 11.84 million (31 March 2023 Rs. 11.16 million). The total expenditure incurred on 'Corporate Social Responsibility Activities' for the current year is Rs 11.65 million (31 March 2023 Rs 11.54.million).

| CSR Activities | In Cash | Yet to be paid in cash | Total |
|--|---------|------------------------|-------|
| (1) Construction/ acquisition of any asset | - | - | - |
| (2) On purposes other than (1) above: | | | |
| Current year | 11.65 | - | 11.65 |
| Previous year | 11.54 | - | 11.54 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued) for the year ended 31 March 2024

(Amounts in ₹ million)

41 Contingent liabilities and capital commitments

(i) Contingent liabilities

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Guarantees given by bank on behalf of group | 182.79 | 186.49 |
| Income tax demand in respect of earlier years under dispute (refer note a) | 27.68 | 37.07 |
| Statutory bonus (refer note b) | 8.06 | 8.06 |
| Arbitration for non performance of customer contract (refer note c) | 19.75 | - |
| | 238.28 | 231.62 |

Note (a): Income Tax demand in respect of earlier years

| Period to which the amount relates | Demand | | Particulars |
|------------------------------------|---------------|---------------|---|
| | 31 March 2024 | 31 March 2023 | |
| A.Y 2002-03 | 3.06 | 3.06 | Demand due to disallowance of deduction u/s 10A. Appeal pending at High court, New Delhi |
| A.Y 2006-07 | - | 19.47 | Demand due to disallowance of deduction u/s 10A. Income Tax Appellate Tribunal set aside order of Commissioner of Income Tax-Appeals. Matter pending at Jurisdictional Assessing Officer. |
| A.Y 2008-09 | - | 1.31 | Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax-Appeals |
| A.Y 2009-10 | - | 9.93 | Demand due to disallowance of deduction u/s 10A. Appeal pending at Commissioner of Income Tax-Appeals |
| A.Y 2012-13 | 12.80 | - | Demand due to disallowance of depreciation on Intangible assets. Appeal pending at High Court, Mumbai. |
| A.Y 2013-14 | 11.82 | - | Demand due to disallowance of depreciation on Intangible assets. Appeal pending at High Court, Mumbai. |
| A.Y 2017-18 | - | 3.30 | Demand due to disallowance of depreciation on Goodwill. Appeal pending at Commissioner of Income Tax-Appeals. |
| | 27.68 | 37.07 | |

Note (b):

During the year ended 31 March 2016, Payment of Bonus Act, 1965 ('the Act') has been amended vide the Payment of Bonus (Amendment) Act, 2015. The Act has been amended to take retrospective effect w.e.f. April 01, 2014 and accordingly revised bonus (including arrears related to the year ended 31 March 2016) is required to be paid to the eligible employees. Based on stay orders from various High Courts across the country, the amendment to the Payment of Bonus Act to the extent that it gives retrospective effect from 1 April 2014 in respect of statutory bonus has not been recognised and treated as contingent liability.

Note (c):

In February 2024, Infrasoft Technologies Pte Limited (subsidiary company) received a Notice of Arbitration from one of its clients in relation to alleged non-performance under a sales contract amounting to USD 0.24 million equivalent to Rs.19.85 million. The Notice of Arbitration include, among others, requests to the Arbitral Tribunal (Singapore International Arbitration Court – SIAC) to award the Client for damages for all losses, costs, and expenses incurred as a result of the breach of the contract by the subsidiary company. The subsidiary company has disclaimed the liability and is defending the action. Since the litigation case is still at the adjudication process as of the date of this financial statement, the legal counsel was unable to determine if there are any potential material impact on the Company's financial statements. As per Management's assessment, there is remote possibility of a material financial impact on the Company's financial statements as a result of the aforesaid arbitration proceedings. Accordingly, no provisions for contingencies have been recognised in the Company's financial statements as of 31 March 2024.

(ii) Capital Commitments

(Amounts in ₹ million)

| | 31 March 2024 | 31 March 2023 |
|--|---------------|---------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 3.94 | 9.98 |

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

for the year ended 31 March 2024

42 Additional regulatory information required by Schedule III

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

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

| Quarter | Name of bank | Cumulative Sales | | |
|---------------------------------|---|--|---|------------------------------------|
| | | Amount as per books of account (In millions) | Amount as reported in the quarterly return/ statement (In millions) | Amount of difference (In millions) |
| Quarter ended 30 June 2023 | The Hongkong and Shanghai Banking Corporation Limited | 530.38 | 532.22 | (1.84) |
| Quarter ended 30 September 2023 | Corporation Limited | 1,231.98 | 1,235.68 | 3.70 |
| Quarter ended 30 December 2023 | Corporation Limited | 1,867.89 | 1,872.70 | 4.81 |

| Quarter | Name of bank | Earnings before interest, taxes, depreciation, and amortisation | | |
|---------------------------------|------------------|---|---|------------------------------------|
| | | Amount as per books of account (In millions) | Amount as reported in the quarterly return/ statement (In millions) | Amount of difference (In millions) |
| Quarter ended 30 September 2023 | Corporation Bank | 42.57 | (75.40) | 117.97 |

| Quarter | Name of bank | Trade Payables | | |
|---------------------------------|------------------|--|---|------------------------------------|
| | | Amount as per books of account (In millions) | Amount as reported in the quarterly return/ statement (In millions) | Amount of difference (In millions) |
| Quarter ended 30 September 2023 | Corporation Bank | 135.11 | 109.10 | 26.01 |
| Quarter ended 30 December 2023 | Corporation Bank | 79.67 | 73.87 | 5.80 |

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

Infrasoft Technologies Limited

Notes forming part of the consolidated Financial Statements (Continued)

for the year ended 31 March 2024

43 Other information

- i) As per the Ministry of Corporate Affairs (MCA) notification, proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, for the financial year commencing 1 April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The interpretation and guidance on what level edit log and audit trail needs to be maintained evolved during the year and continues to evolve.
- The audit trail has not been enabled at an application level for all the relevant tables for maintenance of books of accounts and relevant transactions. However, the software used by the Company has not been enabled with the feature of audit trail log at the database layer to log direct transactional changes, due to present design of the softwares used by the Company. In the meanwhile, the Company continues to ensure that direct write access to the database is granted via an approved change management process.
- ii) The Company has paid/provided for the remuneration pertaining to Mr. Rajesh Mirjankar (Managing Director). Remuneration for the year ended 31 March 2024 includes Rs. 18.66 million which is subject to approval of the shareholders.

44 Subsequent events

No significant event occurred between the balance sheet date and date of the approval of these financial statement by the board of directors of the Company requiring adjustment or disclosure.

Material accounting policies (Note 1.3)

The accompanying notes are an integral part of these financial statements (Refer Notes 1 to 44)

In terms of our report attached of even date

For B S R & Co. LLP

Chartered Accountants

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

**JITENDRA
JAYANTILAL
VAISHNAV**

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JITENDRA JAYANTILAL
VAISHNAV
Date: 2024.07.24
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Jitendra Vaishnav

Partner

Membership No: 123636

Place: Mumbai

Date: 24 July 2024

For and on behalf of the Board of Directors of

Infrasoft Technologies Limited

CIN No: U72900MH1995PLC135094

**RAJESH
MIRJANKAR**

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Date: 2024.07.24
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Rajesh Mirjankar

Managing Director

DIN: 03594206

Rahul Bhasin

Chairman

DIN: 00236867

**KANKESH
MURLIDHAR
KAMATH**

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Date: 2024.07.24 17:10:51
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Kankesh Kamath

Chief Financial Officer

Membership No: ACA 100377

**Meet Ramesh
Bhagat**

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Date: 2024.07.24
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Meet Bhagat

Company Secretary

Membership No: ACS 20518