TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450
Standalone Balance Sheet as at 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

	Notes	As at 31 Mar 2021	As at 31 Mar 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	50.17	54.95
Intangible assets	5	7.32	10.92
Right to use assets	6	-	448.42
Financial assets			
Investments	7	32.58	32.58
Loans	8	274.58	180.82
Deferred tax asset (net)	29	294.99	419.43
Other non-current assets	9	64.35	-
Total non-current assets		**723.99**	**1,147.12**
Current assets			
Financial assets			
Investments	7	100.80	1,522.48
Trade receivables	10	1,716.56	2,285.12
Cash and cash equivalents	11	3,072.88	856.55
Bank balances other than cash and cash equivalent	12	2,679.71	267.92
Other financial assets	13	293.65	805.98
Other current assets	14	561.78	1,200.76
Total current assets		8,425.38	6,938.81
Total assets		**9,149.37**	**8,085.93**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	95.00	95.00
Other equity	16	5,060.94	3,287.54
Total equity		**5,155.94**	**3,382.54**
Liabilities			
Non-current liabilities			
Financial liabilities			
Provisions	17	88.90	27.70
Other non-current liabilities	18	1,721.40	1,473.25
Total non-current liabilities		**1,810.30**	**1,500.95**
Current liabilities			
Financial liabilities			
Trade payables	19	1,017.28	988.68
Other financial liabilities	20	829.56	1,851.32
Other current liabilities	21	100.10	123.26
Current tax liabilities (net)	22	236.19	239.18
Total current liabilities		2,183.13	3,202.44
Total liabilities		3,993.43	4,703.39
Total equity and liabilities		**9,149.37**	**8,085.93**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 11, 2021

For and on behalf of the Board of Directors
TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450

Salil Baldev Raj Taneja
Chairman
DIN:00328668

Place: Pune
Date: June 11, 2021

TAAL Tech India Private Limited

TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450
Statement of Profit and Loss for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

	Notes	Year ended 31 Mar 2021 Audited	Year ended 31 Mar 2020 Audited
Income			
Revenue from operations	23	10,491.80	12,563.10
Other income	24	406.38	661.96
Total income		**10,898.18**	**13,225.06**
Expenses			-
Employee benefits expense	25	4,582.39	5,204.37
Cost of Technical Services		2,291.18	2,955.40
Finance costs	26	59.89	98.23
Depreciation and amortization expense	27	224.51	435.06
Other expenses	28	1,498.73	1,604.89
Total expenses		**8,656.70**	**10,297.95**
Profit /(Loss) before exceptional items and tax		2,241.48	2,927.11
Exceptional items			-
Profit before tax		**2,241.48**	**2,927.11**
Income tax expense	29		
Current tax		520.42	535.63
Deferred tax		(13.03)	7.51
MAT credit receivable		-	-
Total income tax expense		507.40	543.14
Profit for the Period		**1,734.08**	**2,383.97**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
OCI on forward Contract		20.63	-
Re-measurement gains/ (losses) on defined benefit plans		26.36	(3.97)
Income tax effect		(7.68)	1.15
Other comprehensive income for the year		**39.32**	**(2.82)**
Total comprehensive income for the year		**1,773.40**	**2,381.15**
Paid-up equity share capital (Face value of Rs. 10/- each)		95	95
Earnings per share			
Basic earnings per share (INR)	30	186.67	240.09
Diluted earnings per share (INR)	30	186.67	240.09
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 11, 2021

For and on behalf of the Board of Directors of
TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450

Salil Baldev Raj Taneja
Chairman
DIN:00328668

Place: Pune
Date: June 11, 2021

TAAL Tech India Private Limited

TAAL Tech India Private Limited

Statement of Cash flows for the Year ended 31 Mar 2021

(All amounts in Lakhs INR unless otherwise stated)

	Year ended 31 Mar 2021	Year ended 31 Mar 2020
	Audited	Audited
Cash flow from operating activities		
Profit before tax	2,241.48	2,927.11
Adjustments for:		
Depreciation	224.51	434.90
Interest income	(212.11)	(36.98)
Income from sale of Investments (mutual funds)	(15.88)	(55.32)
Gain on changes in fair value of investments (mutual funds)	-	(8.06)
Interest expense	57.15	91.44
Provision for doubtful debts	-	23.74
Provision for impairment in value of investments	-	(19.34)
Unrealized foreign exchange loss	(33.67)	43.94
Operating loss before working capital changes	**2,261.49**	**3,401.43**
Changes in working capital		
(Decrease)/ Increase in trade payables	32.40	411.71
(Decrease)/ increase in other current liabilities	(23.16)	(304.96)
(Decrease)/ increase in non-current liabilities	290.67	(47.19)
Increase/ (decrease) in other financial liabilities	(1,021.79)	942.84
Decrease / (increase) in trade receivables	570.45	(45.53)
Decrease/ (increase) in other financial assets	512.33	(188.22)
Decrease/ (increase) in other non- current financial assets	(93.76)	(21.88)
Decrease/ (increase) in other current assets	638.98	(14.14)
Decrease/ (increase) in other non- current assets	(64.35)	87.32
Cash generated used in operations	**3,103.26**	**4,221.39**
Income tax paid	(421.24)	(576.22)
Net cash flows used in operating activities (A)	**2,682.02**	**3,645.17**
Cash flow from Investing activities		
Payment for property, plant and equipment and intangible assets	(24.28)	(35.82)
Payment for advances for acquiring right-of-use assets	116.84	(906.41)
Purchase of Investments	100.80	(3,805.00)
Proceeds from sales of investments	1,532.14	2,282.52
Income from mutual funds	15.88	55.32
Interest received	212.11	36.98
Net cash flow from investing activities (B)	**1,953.48**	**(2,372.41)**
Cash flow from Financing activities		
Payment towards Buyback of Shares (Including tax on Byback)	-	(765.55)
Net cash flow from financing activities (C)	-	**(765.55)**
Net increase in cash and cash equivalents (A+B+C)	4,635.50	507.21
Effect of exchange differences on cash & cash equivalents held in foreign currency	(7.37)	(14.50)
Cash and cash equivalents at the beginning of the year	1,124.46	632.22
Cash and cash equivalents at the end of the year	**5,752.59**	**1,124.93**
Cash and cash equivalents comprise (Refer note 11)		
Balances with banks		
On current accounts	1,602.51	855.71
Fixed deposits with maturity of less than 3 months	1,469.78	-
Cash on hand	0.59	0.83
	3,072.88	**856.54**
Bank balances other than Cash and cash equivalent (Refer note 12)		
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	2,679.71	267.92
Total cash and bank balances at end of the year	**5,752.59**	**1,124.46**

Summary of significant accounting policies (Note 2)

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 11, 2021

For and on behalf of the Board of Directors of
TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450

TAAL Tech India Private Limited

Salil Baldev Raj Taneja
Chairman
DIN:00328668

Place: Pune
Date: June 11, 2021

TAAL Tech India Private Limited
Statement of changes in equity for the year ended 31 Mar 2021
(All amounts in Lakhs INR unless otherwise stated)

(A) Equity Share Capital

	Amount
Balance as at 1 April 2019	100.00
Changes in equity share capital	5.00
Balance as at 31 March 2020	**95.00**
Changes in equity share capital	-
Balance as at 31 March 2021	**95.00**

(B) Other equity

Particulars	Reserves and Surplus			Total
	Securities premium reserve	Capital Redemption Reserve	Retained earnings	
Balance as at 1 April 2019	50.06	-	3,216.05	3,266.11
Profit for the year	-	-	2,383.97	2,383.97
Buy back of Shares	(50.06)	5.00	(574.95)	(620.00)
Tax on Buy back of Shares			(140.55)	(140.55)
Other comprehensive income / (loss)			(2.82)	(2.82)
Reclassification to Derivative liabilities (Note No 16 C)			(1,599.17)	(1,599.17)
Total comprehensive income for the year	(50.06)	**5.00**	**66.49**	**21.44**
Balance as at 31 March 2020	-	**5.00**	**3,282.54**	**3,287.54**

Particulars	Reserves and Surplus			Total
	Securities premium reserve	Capital Redemption Reserve	Retained earnings	
Balance as at 1 April 2020	-	5.00	3,282.54	3,287.54
				-
Profit for the year	-	-	1,734.08	1,734.08
Other comprehensive income / (loss)	-	-	39.32	39.32
Total comprehensive income for the year	-	**5.00**	**1,773.40**	**1,773.40**
Balance as at 31 Mar 2021	-	**5.00**	**5,055.94**	**5060.94**

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No. 105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 11, 2021

For and on behalf of the Board of Directors of
TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450

Salil Baldev Raj Taneja
Chairman
DIN:00328668

Place: Pune
Date: June 11, 2021

TAAL Tech India Private Limited

1 General Information

TAAL Tech India Private Limited ('TTIPL' or 'Company') is a Company incorporated in India under the Companies Act, 1956. TTIPL was earlier a subsidiary of Taneja Aerospace and Aviation Limited (TAAL).However pursuant to scheme of Arrangement as approved/sanctioned Honorable High Court of Madras, under section 391 to 394 of Companies Act,1956 between TAAL and TAAL Enterprises Limited (TEL), Engineering Design services business conducted through TTIPL has been demerged into TEL w.e.f. October 1, 2014 and TTIPL has seized to be subsidiary of TAAL and became subsidiary of TEL. TTIPL commenced its operation in India in the month of August 2013 and taken over the Engineering Services division of Taneja Aerospace & Aviation Limited (TAAL) as a result of hive-off. The Company's principal activity is providing of engineering services.

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
▶ Held primarily for the purpose of trading
▶ Expected to be realised within twelve months after the reporting period, or
▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

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

The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT credit or other tax credit available to the Company.When parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items (major components) of fixed asset.

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

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses written down value method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Property, plant and equipment	Usefule life
Leasehold improvement*	Lease period
Furniture and Fixtures	10 years
Office Equipment	5 years
Computers:	3 years
Vehicle	8 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

TAAL Tech India Private Limited ★

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

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

2.3 Intangible Assets

An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive of CENVAT credit or other tax credit available to the Company.

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses written down value method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Intangible assets	Useful life
Computer Software	3 years

Intangible assets with infinite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.
Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Transactions and balances

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

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.6 Revenue Recognition

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2019. In accordance with the cumulative catch-up transition method , the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition.

Revenue is recognized upon transfer of control of promised goods and services to the customers in an amount that reflects the consideration we expect to receive in exchange for those goods and services and where there is no uncertainty as to measurement or collectability of consideration.

Revenue from time and material service contracts is recognised pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured.

TAAL Tech India Private Limited ★

Revenue from long term fixed price, fixed time frame contracts where the performance obligations are satisfied over time and there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method or the completion method, whichever best depicts measurement of the progress in transferring control to the customer and billed in terms of the agreement with and certification by the customer.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs. The discounts are passed on to the customer either as direct payments or as a reduction of payments due from the customer.

The Company presents revenues net of indirect taxes in its Statement of Profit and loss.

Revenue recognized in excess of billings is classified as contract assets ('Unbilled revenue') included in other current financial assets.

Billings in excess of revenue recognized is classified as contract liabilities ('Deferred revenue') included in other current liabilities.

The impact of applying Ind AS 115 Revenue from contract with customers instead of the erstwhile Ind AS 18 Revenue on the financials statements of the Company for the year ended and as at March 31, 2019 is not significant.

Other Income
Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists. Dividend is recognised when the Company's right to receive dividend is established.

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

(a) Current income tax
Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

(c) Minimum Alternate Tax (MAT)

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.
Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

2.8 Leases
As a lessee
The Company's lease asset classes primarily consist of leases for Land and Building. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

TAAL Tech India Private Limited

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

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. The Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised,in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116..

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 14%

2.9 Impairment of non-financial assets

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

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

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

2.10 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Decommissioning (if any) costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning 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 are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

2.11 Cash and cash equivalents

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

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

TAAL Tech India Private Limited

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

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

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

(iii) Impairment of financial assets

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

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

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

Trade Receivables

An impairment analysis is performed at each reporting date on an individual basis for major clients. It is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the group estimates the provision at the reporting date.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

TAAL Tech India Private Limited

(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(D) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Employee Benefits

(i) Defined contribution plan

The Company makes defined contribution to Government Employee Provident Fund, Government Employee Pension Fund and Employee Deposit Linked Insurance which are recognised in the Statement of Profit and Loss on accrual basis.

The Company has no further obligations under these plans beyond its monthly contributions.

(ii) Defined benefit plans

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

(iii) Leave encashment - Encashable

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

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

2.14 Investment in Subsidiary

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.
The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

When an entity prepares separate financial statements, it shall account for investments in subsidiaries, joint ventures and associates either:
(a) at cost, or
(b) in accordance with Ind AS 109.
Company accounts for for its investment in subsidiary at cost.

2.15 Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
Borrowing Costs directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of the assets, upto the date the asset is ready for its intended use. All other borrowing costs are recognised as an expense in the Statement of Profit and Loss in the year in which they are incurred.

2.16 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.17 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

TAAL Tech India Private Limited *

2.18 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of viz. Engineering Design Services . Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

2.19 Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

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

(a) Gratuity benefits and Other long term benefits

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

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

TAAL Tech India Private Limited ★

TAAL Tech India Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

4 Property, plant and equipment

	Gross block				Depreciation				Net block	
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 March 2020
Owned assets										
Computer Equipment	266.33	19.72	-	286.05	226.95	20.60	-	247.55	38.50	39.38
Office Equipment	13.05	0.81	-	13.86	9.44	1.50	-	10.94	2.93	3.61
Vehicles	12.97	-	-	12.97	10.11	0.87	-	10.98	1.99	2.86
Leasehold Improvements	88.66	-	-	88.66	88.66	0.00	-	88.66	0.00	-
Furntiture & Fixtures	26.71	-	-	26.71	17.61	2.35	-	19.97	6.74	9.10
Total	**407.73**	**20.53**	**-**	**428.26**	**352.78**	**25.32**	**-**	**378.09**	**50.17**	**54.95**

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 March 2019
Owned assets										
Computer Equipment	247.06	19.77	0.50	266.33	199.05	27.90	-	226.95	39.38	48.01
Office Equipment	12.80	0.26	-	13.05	6.55	2.89	-	9.44	3.61	6.25
Vehicles	12.97	-	-	12.97	8.84	1.27	-	10.11	2.86	4.13
Leasehold Improvements	88.66	-	-	88.66	79.69	9.05	0.08	88.66	0.00	8.97
Furntiture & Fixtures	26.09	0.62	-	26.71	14.58	3.03	-	17.61	9.10	11.51
Total	**387.58**	**20.65**	**0.50**	**407.73**	**308.71**	**44.14**	**0.08**	**352.78**	**54.95**	**78.87**

5 Intangible assets

	Gross block				Depreciation				Net block	
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 March 2020
Computer Software	199.50	3.75	-	203.25	188.58	7.35	-	195.93	7.32	10.92
Total	**199.50**	**3.75**	**-**	**203.25**	**188.58**	**7.35**	**-**	**195.93**	**7.32**	**10.92**

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 March 2019
Computer Software	184.33	15.17	-	199.50	164.13	24.45	-	188.58	10.92	20.19
Total	**184.33**	**15.17**	**-**	**199.50**	**164.13**	**24.45**	**-**	**188.58**	**10.92**	**20.19**

TAAL Tech India Private Limited ★

6 Right Of use Asset

	Gross block				Depreciation				Net block	
	As at 1 April 2020	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2021	As at 1 April 2020	For the year	Deductions/ Adjustments	As at 31 Mar 2021	As at 31 Mar 2021	As at 31 March 2020
Building	814.97	-	-	814.97	366.55	191.84	256.58	814.97	-	448.42
Total	**814.97**	**-**	**-**	**814.97**	**366.55**	**191.84**	**256.58**	**814.97**	**-**	**448.42**

	Gross block				Depreciation				Net block	
	As at 1 April 2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2020	As at 1 April 2019	For the year	Deductions/ Adjustments	As at 31 Mar 2020	As at 31 Mar 2020	As at 31 March 2019
Building	814.97	-	-	814.97	-	366.55	-	366.55	448.42	-
Total	**814.97**	**-**	**-**	**814.97**	**-**	**366.55**	**-**	**366.55**	**448.42**	**-**

TAAL Tech India Private Limited

(All amounts in Lakhs INR unless otherwise stated)

7 Financial Assets- Investments

	31 Mar 2021	31 Mar 2020
Investment in equity instrument		
Unquoted equity shares(Non-trade,stated at cost)		
20 (31 March 2020: 20) Equity shares of CHF 1,000 each fully paid-up in TAAL Tech GmbH, Switzerland	13.70	13.70
25,000 (31 March 2020 : 25,000) Equity shares of EUR 1 each fully paid-up in TAAL Tech Innovations GmbH, Austria	19.34	19.34
Less: Provision for impairment in value of investments	(19.34)	(19.34)
30,000 (31 March 2020 : 30,000) Equity shares of USD 1 each fully paid-up in TAAL Technologies Inc, USA	18.88	18.88
Investments at fair value through profit and loss (fully paid)		
- Investments in Mutual Funds (Quoted) (Refer footnote i)	100.80	1522.48
Total	133.38	1555.06
Current	100.80	1522.48
Non- Current	32.58	32.58
	133.38	1555.06
Aggregate book value of:		
Quoted investments	100.80	1522.48
Unquoted investments	32.58	32.58
Aggregate market value of:		
Quoted investments	100.80	1522.48
Unquoted investments	32.58	32.58
Aggregate amount of impairment in value of Investments	19.34	19.34

Footnotes:
i. Details of investments in Mutual Funds (Quoted) designated at FVTPL:

Particulars	Number of units		Amounts	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
ILF Wealth Finance Ltd-Debenture	100	-	100.80	-
TATA Liquid Fund	-	42,216	1,333.17	1,322.09
HDFC Arbitrage fund	-	38,874	201.65	200.39

	31 Mar 2021	31 Mar 2020
8 Non-Current Financial assets - Loans		
Unsecured, considered good		
Security deposits	274.58	180.82
Total	274.58	180.82

9 Other non-current assets	31 Mar 2021	31 Mar 2020
Prepaid Rent	57.80	-
Prepaid Expenses	6.55	-
Total other non-current other assets	64.35	-

TAAL Tech India Private Limited

(All amounts in Lakhs INR unless otherwise stated)

10 Trade receivable

	31 Mar 2021	31 Mar 2020
Unsecured		
-Considered good	1716.56	2,285.12
-Considered Significant Credit Risk	-	23.74
Less : Allowance for bad and doubtful debts	-	(23.74)
Total	**1,716.56**	**2,285.12**

11 Cash and bank balances	31 Mar 2021	31 Mar 2020
Cash and cash equivalents		
Balances with banks		
On current accounts	1,602.51	855.71
Fixed deposits with maturity of less than 3 months	1,469.78	-
Cash on hand	0.59	0.83
Total cash and cash equivalents	**3,072.88**	**856.55**

12 Bank balances other than Cash and cash equivalent	31 Mar 2021	31 Mar 2020
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	2,679.71	267.92
Total	**2,679.71**	**267.92**

13 Current Financial assets - Others	31 Mar 2021	31 Mar 2020
Interest accrued on fixed deposits	71.45	8.65
Advance recoverable in cash	75.60	108.07
Unbilled Revenue	125.96	144.77
Export incentives receivable (SEIS)	-	544.49
Foreign exchange forward contracts	20.63	-
Total	**293.65**	**805.98**

14 Other current assets	31 Mar 2021	31 Mar 2020
Advance to Supplier	15.10	33.05
Balance with Government authorities	377.06	985.76
Prepaid Expenses	169.62	181.95
Total	**561.78**	**1,200.76**

TAAL Tech India Private Limited

(All amounts in Lakhs INR unless otherwise stated)

15 Equity share capital

Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.

	31 Mar 2021	31 Mar 2020
Authorized		
1,000,000 (31 March 2020: 1,000,000) equity shares of INR 10/- each	100,00,000	100,00,000
	100,00,000	100,00,000
Issued, subscribed and paid up		
9,500,000 (31 March 2020: 9,500,000) equity shares of INR 10/- each fully paid up	95	95
Total	95	95

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

	31 Mar 2021		31 Mar 2020	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	9,50,000	95	10,00,000	100
Less: Equity Shares Bought Back during the year	-	-	(50,000)	(5)
Outstanding at the end of the year	9,50,000	95	9,50,000	95

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of INR 10 per share. Each shareholder is entitled to vote in proportion to his share of the paid up equity share capital of the Company. The shareholders are entitled to receive the dividend in proportion to the amount of paid up share capital held by them. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of the interim dividend. The repayment of equity share in the event of buy back of shares are possible subject to prevelant regulation.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholdings. However no such preferential amount exists as at March 31, 2021.

(c) Shares held by holding Company/ultimate holding Company and/ or their subsidiaries/ associates	31 Mar 2021	31 Mar 2020
TAAL Enterprises Limited, the ultimate holding Company		
[No. of Shares :- 31 March 2021: 850,000; 31 March 2020: 850,000]	85	85

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

Name of the shareholder	31 Mar 2021		31 Mar 2020	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
TAAL Enterprises Limited *	8,50,000	89%	8,50,000	89%
Prakash Saralaya	1,00,000	11%	1,50,000	11%

16 Other equity

	31 Mar 2021	31 Mar 2020
(A) Securities premium reserve (SPR)*		
Opening balance	-	50.06
Less: Securities premium used towards buyback of Shares	-	(50.06)
Closing balance	-	-

*SPR record premium on issue of shares to be utilized in accordance with the Act.

	31 Mar 2021	31 Mar 2020
(B) Capital redemption reserve		
Opening balance	5.00	-
Less: Transfer for buy back of shares	-	-
Add: Transfer	-	5.00
Closing balance	**5.00**	**5.00**

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

	31 Mar 2021	31 Mar 2020
Opening balance	3,287.54	3,216.05
Net profit for the year	1,734.08	2,383.97
Transferred		
Less : Buy back of Shares tranche 1 transferred from Capita Redemption Reserve	-	(569.95)
Tax on Buy back of Shares	-	(140.55)
Less; Buyback of shares tranche 2 transferred to Current liabilities	-	(1,599.17)
Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	39.32	(2.82)
Closing balance	**5,055.94**	**3,282.54**
Total other equity	**5,060.94**	**3,287.54**

TAAL Tech India Private Limited

(All amounts in Lakhs INR unless otherwise stated)

17 Provisions

	Non Current		Current	
	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Mar 2020
Provision for employee benefits				
Provision for gratuity (funded)	40.91	11.56	-	-
Provision for leave encashment	47.99	16.14	-	-
Provision for Income Tax	-		-	
Total Provisions	**88.90**	**27.70**	**-**	**-**

18 Other non-current liabilities

	31 Mar 2021	31 Mar 2020
Buyback of shares tranche 3 Derivative Liabilities	1,721.40	1473.25
Total other long term liabilities	**1721.40**	**1473.25**

19 Trade payables

	31 Mar 2021	31 Mar 2020
Total outstanding dues of micro enterprises and small enterprises	35.92	55.06
Total outstanding dues of creditors other than micro enterprises and small enterprises	981.36	933.62
Total trade payables	**1,017.28**	**988.68**

As at March 31'2021 and March 31'2020 , there are outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

	31 Mar 2021	31 Mar 2020
i. The principal amount due thereon remaining unpaid as at the year end ,Interest amount due and remaining unpaid as at the year end	35.92	55.06
ii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv. The amount of interest accrued and remaining unpaid as the year end in respect of principal amount settled during the year	-	-
v. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

20 Other financial liabilities

		31 Mar 2021	31 Mar 2020
Employee related payable		252.34	596.69
Other Payables		577.22	705.58
Right of Use Liability		-	499.62
Related Party Payment		-	49.43
Total other financial liabilities		**829.56**	**1851.32**
Total financial liability	(I+II+III)	1,846.84	2,840.00

21 Other current liabilities

	31 Mar 2021	31 Mar 2020
Statutory due payable	100.10	123.26
Total other current liabilities	**100.10**	**123.26**

22 Current tax liabilities (net)

	31 Mar 2021	31 Mar 2020
Current tax Provision [net of advance taxes* INR 533.077 (31 March 2020: INR 1734.88)]	236.19	239.18
Total current tax liabilities	**236.19**	**239.18**

TAAL Tech India Private Limited ★

TAAL Tech India Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

23 Revenue from operations	Year ended 31 Mar 2021	Year ended 31 Mar 2020
Sale of services	10,491.80	12,563.10
Sale of Goods	-	-
Total revenue from operations	**10,491.80**	**12,563.10**

Disegregation of revenue (Sale of services)		
Time & Material contracts	10,074.29	12,357.16
Fixed price contracts	417.51	205.95
Total	**10,491.80**	**12,563.10**

Reconciliation of revenue recognised with contract price		
Contract price	10,517.81	12,617.95
Adjustments for:		
Volume discounts	(26.01)	(54.85)
Revenue recognised	**10,491.80**	**12,563.10**

Performance obligations and remaining performance obligations*

Aggregate amount of the transaction price allocated to long-term fixed price contracts that are partially or fully unsatisifed as on 31 March 2021 is INR 40.95 Lacs which the Company expects to fully recognize as revenue in the financial year 2020-21. All other contracts are for one year or less or billed based on time incurred. As permitted under Ind AS 115, the transaction price allocated to these unsatisifed contracts is not disclosed.

24 Other income	31 Mar 2021	31 Mar 2020
Income from Export Incentives (SEIS)	39.93	136.99
Interest income	163.77	15.10
Net gain on foreign currency transactions	33.67	124.97
Income from sale of Investments (mutual funds & Debenture)	15.88	55.32
Gain on changes in fair value of investments (mutual funds)	-	8.06
Service Tax refund Receiveable	3.56	96.01
Provision no longer requried Writtern Back	25.11	75.45
Interest income on security deposits	48.34	24.14
Bad Debt recovered	6.28	-
Gain on re-measurement of Liability towards Buy back of shares	-	125.92
Gain on Leased Asset	69.86	-
Total other income	**406.38**	**661.96**

* FVTPL of investments represent fair valuation changes in mutual funds which include dividend declared and not distributed (distributed based on record dates) as at reporting dates, which have not been recognized separately in financial statements.

25 Employee benefits expense	31 Mar 2021	31 Mar 2020
Salaries, wages, bonus and other allowances *	4,370.69	5,000.68
Contribution to Provident Fund	127.88	124.63
Gratuity (Refer note 31)	59.69	44.66
Staff welfare expenses	24.12	34.41
Total employee benefits expense	**4,582.39**	**5,204.37**

* The amount includes INR 147.52 lacs (2020- INR 359.40 lacs) incurred towards expenses for hiring of contract employees for the technical Services and the amount has been regrouped from other expenses.

26 Finance costs	31 Mar 2021	31 Mar 2020
Other Interest	2.74	6.79
Interest on Right of Use Asset	57.15	91.44
Total finance costs	**59.89**	**98.23**

27 Depreciation and amortization expense	31 Mar 2021	31 Mar 2020
Depreciation (Refer note 5)	25.32	44.07
Amortization (Refer note 6)	7.35	24.45
Depreciation On Lease Asset	191.84	366.55
Total depreciation and amortization expense	**224.51**	**435.06**

TAAL Tech India Private Limited ★

TAAL Tech India Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

28 Other expenses	31 Mar 2021	31 Mar 2020
a) Direct Expenses		
Travelling and conveyance	74.56	346.24
Software charges	369.16	337.88
Customer Claims	7.08	34.71
Visa and work permit expenses	19.15	45.28
Procurement for Customer	1.91	17.67
Bank Charges	17.80	20.77
Audit fees	10.00	10.00
Rent	134.59	4.43
Power, fuel, gas and water	65.40	88.07
Repairs and maintenance	124.72	139.17
Insurance	36.16	24.91
Rates and taxes	1.97	10.49
Communication expenses	46.79	57.73
Business Promotion Expenses	-	8.02
Bad debts written off	84.40	57.90
Professional fees	127.75	290.16
Recruitment & training expenses	13.57	18.57
Printing & stationery	4.61	7.16
Security & housekeeping expenses	35.64	46.74
Office expenses	6.78	11.56
CSR Expenses	54.42	16.02
Miscellaneous expenses	14.13	11.41
Gain on re-measurement of Liability towards Buy back of shares	248.15	-
Total other expenses	**1,498.73**	**1,604.89**

*Note : The following is the break-up of Auditors remuneration (excluding GST)

	31 Mar 2021	31 Mar 2020
As auditor:		
Statutory audit	10.00	10.00
In other capacity:		
Other matters	1.30	1.66
Total	**11.30**	**11.66**

29 Income Tax

(A) Deferred tax relates to the following:

	31 Mar 2021	31 Mar 2020
Deferred tax assets		
On property, plant and equipment	27.05	28.69
On provision for employee benefits	22.55	17.22
On others	16.00	3.65
MAT Credit Entitlement	229.40	369.43
	295.00	419.43
Deferred tax asset, net	**295.00**	**419.43**

(B) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	**31 Mar 2021**	**31 Mar 2020**
Deferred tax asset	65.60	50.00
Earlier Year Adjustment-Tax Credit	(2.95)	-
MAT Credit Entitlement	232.35	369.43
Deferred tax assets/ (liabilities), net	294.99	419.43

(C) Reconciliation of deferred tax assets/ (liabilities) (net):

	31 Mar 2021	31 Mar 2020
Opening balance	419.43	429.52
Tax credit recognized in Statement of Profit and Loss	(13.03)	10.51
Closing balance	432.46	419.43

(D) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss

	31 Mar 2021	31 Mar 2020
Tax liability	(13.03)	10.51
	(13.03)	10.51

TAAL Tech India Private Limited

TAAL Tech India Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

(E) Income tax expense	31 Mar 2021	31 Mar 2020
Current tax	520.42	535.63
Deferred tax (excluding MAT credit entitlement)	(13.03)	7.51
Income tax expense reported in statement of profit and loss	507.40	543.14

(F) **The reconciliation of tax expense and the accounting profit multiplied by India's tax rate :**	31 Mar 2021	31-Mar-20
Profit from continuing operations before income tax expense	2,241.48	2,927.11
Enacted income tax rate in India applicable to the Company	29.12%	29.12%
Current tax expenses/(Credit) on Profit/(loss) before tax expenses at the enacted income tax rate in India	652.72	815.71
Tax effect of:		
Permanent disallowances	60.75	5.57
Section 10AA deduction (SEZ unit)	(322.61)	(278.85)
Earlier Year Adjustment	-	-
Deferred tax on temporary diferrences not recognized earlier	(16.00)	(6.65)
Others	132.54	7.37
Income tax expense	507.40	543.14
Effective tax rate	22.64%	18.56%

TAAL Tech India Private Limited

(All amounts in Lakhs INR unless otherwise stated)

30 Earnings/ Loss per share

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

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

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-21	31 Mar 2020
Profit attributable to equity holders	1,773.40	2,381.15
Weighted average number of equity shares	9.50	9.92
Basic earnings per share (INR)	186.67	240.09
Diluted earnings per share (INR)	186.67	240.09

31 Employee benefits
(A) Defined Contribution Plans

	31-Mar-21	31 Mar 2020
During the year, the Company has recognized the following amounts in the Statement of Profit and Loss - Employers' Contribution to Provident Fund and Employee State Insurance	127.88	124.63

(B) Defined benefit plans
a) Gratuity payable to employees

	Gratuity	
i) Actuarial assumptions	31-Mar-21	31 Mar 2020
Discount rate (per annum)	6.60%	6.70%
Rate of increase in Salary	8.00%	8.00%
Expected rate of return on plan asset	6.70%	7.60%
Expected average remaining working lives of employees (years)	7.69%	7.74%
Attrition rate	12.00%	12.00%

*It is actuarially calculated term of plan using probabilities of death, withdrawal and retirement.

ii) Changes in the present value of defined benefit obligation

	Gratuity	
	31-Mar-21	31 Mar 2020
Present value of obligation at the beginning of the year	195.60	166.77
Interest cost	12.97	11.40
Past service cost	0.00	0.00
Current service cost	59.06	47.12
Benefits paid	(4.14)	(33.65)
Actuarial (gain)/ loss on obligations	(25.93)	3.96
Present value of obligation at the end of the year	237.55	195.60

iii) Changes in the fair value of plan assets are as follows:

	Gratuity	
	31-Mar-21	31 Mar 2020
Fair value of plan assets at the beginning of the year	184.04	192.74
Interest income on plan assets	12.33	13.86
Contributions by employer	-	-
Mortality charges and taxes	(0.16)	(1.78)
Benefits Paid	-	(20.77)
Actuarial (gain)/ loss on plan assets	0.43	-0.00
Fair value of plan assets at the end of the period	196.65	184.04

iv) Expense recognized in the Statement of Profit and Loss

	Gratuity	
	31-Mar-21	31 Mar 2020
Current service cost	59.06	47.12
Past service cost	-	-
Interest cost	0.64	(2.46)
Actuarial (gain) / loss on obligations	(26.36)	-
Total expenses recognized in the Statement Profit and Loss*	33.33	44.66

*Included in Employee benefits expense (Refer Note 25). Actuarial loss of INR 26.36 (31 March 2020: INR (3.96)) is included in other comprehensive income.

v) Assets and liabilities recognized in the Balance Sheet:

	Gratuity	
	31-Mar-21	31 Mar 2020
Present value of unfunded obligation as at the end of the year	237.55	195.60
Fair value of plan assets at the end of the period	(196.65)	(184.04)
Net asset / (liability) recognized in Balance Sheet*	40.91	11.56

*Included in provision for employee benefits

vi) A quantitative sensitivity analysis for significant assumption as at 31 March 2020 is as shown below:

	Gratuity	
Impact on defined benefit obligation	31-Mar-21	31 Mar 2020
Discount rate		
2% decrease	255.43	210.50
2% increase	221.83	182.51
Rate of increase in salary		
2% decrease	223.89	184.19
2% increase	252.74	208.30

vi) Maturity profile of defined benefit obligation

	Gratuity	
Year	31-Mar-21	31 Mar 2020
0 to 1 year	27.47	19.44
1 to 2 years	21.56	19.15
2 to 3 years	26.53	21.36
3 to 4 years	42.49	26.45
4 to 5 years	41.63	43.14
More than 5 years	245.71	232.28

B) The Code on Social secutiry 2020 ('the Code') relating to employee benefits, during the employment and post employement, has received Presidential assent on September 28, 2020. The code has been published in the Gazette of India. Further ministry of Labour and Employment has released draft rules for the code on November 13, 2020. However, the effective date from which chages are applicable is yet to be notified and rules for quantifying the financials are also not yet issued. The company will assess the impact of the Code and will give appropriate impact in the financials statements in the period in which the code becomes effective and the related rules to determine the financial impact are published.

TAAL Tech India Private Limited

TAAL Tech India Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

32 Leases

Operating leases where Company is a lessee:

The Company has entered into non cancellable operating lease for its office premises with a Lock-in-period of 4 years and six months.The operating lease payments recognized in the Statement of Profit and Loss for the year.The lease agreement for the premises includes renewal option at the end of the 5 year lease term and it is probable that lessee will renew the same. The amounts disclosed in below table are undiscounted cash flow.

(A)(ia) Changes in the carrying value of Right-of-use Assets

Particulars	Category of Right of Use Asset	31-Mar-21	31-Mar-20
	Asset Class 1 (Land and Building)		Total
Balance as at 1 April 2020		814.97	814.97
Depreciation		191.84	366.55
Adjustment of Lease Liability		623.13	
Balance as at 31 March 2021		-	448.42

(ib) Changes in the Lease liabilities

Particulars	Category of Right of Use Asset		
	Asset Class 1 (Land and Building)		Total
Balance as at 1 April 2020		499.62	499.62
Lease Payments		(499.62)	(212.66)
Balance as at 31 March 2021		-	286.96

(iii) Maturity analysis of lease liabilities

Particulars	31-Mar-21	31-Mar-20
Less than one year	-	250.58
One to five years	-	386.46
Total	-	637.04

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgement to determine an appropriate number of time bands.

(iv) Amounts recognised in statement of Profit and Loss account

Particulars	31-Mar-21	31-Mar-20
Interest on Lease Liabilities	57.15	91.44
Total	57.15	91.44

(v) Amounts recognised in statement of Cash Flows

Particulars	31-Mar-21	31-Mar-20
Total Cash outflow for leases	(116.84)	[illegible]
	(116.84)	[illegible]

33 Contingent Liabilities not provided for in respect of -

	31-Mar-21	31 Mar 2020
Claims against the Company not acknowledged as debt	-	-
Income tax (tax on expenses subject to inadmissibility under Income tax laws)	98.81	98.81

34 Related Party Disclosures

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

Ultimate Holding company
Vishkul Enterprises Private Limited

Holding Company
TAAL Enterprises Limited

Entities under common control
ISMT Limited
Laurus Tradecon Private Limited (erstwhile known as Lighto Technologies Private Limited)
TAAL Enterprises Limited
First Airways Inc.
Taneja Aerospace and Aviation Limited
Katra Auto Engineering Private Limited
Indian Seamless Enterprises Ltd.

Subsidiary Companies
TAAL Technologies Inc, USA
TAAL Tech Innovations GmbH, Austria
TAAL Tech GmbH, Switzerland

Key Management Personnel (KMP) and their relative
Mr. Salil Taneja - Managing Director Whole time
Mr. Prakash Saralaya - CEO & Whole Time Director (up to March 30, 2019)

Non whole-time Directors
Mr. Muralidhar Chittetti Reddy (from May 3, 2018)

Additional Director
Mr. Shyam Powar (From 30-09-2019)
Mr. Arvind Nanda (from 30-09-2019)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

Name of the related party	Nature of Transaction	31-Mar-21	31 Mar 2020
Mr. Salil Taneja	Director Remuneration	244.84	286.84
Mr. Prakash Saralaya	Buyback of Share	-	650.00
TAAL Technologies Inc, USA	Service Received	2,175.71	2,829.24
TAAL Tech GmbH, Switzerland	Service Received	115.81	126.96
Taneja Aerospace & Aviation Limited	Loan given and returned during the year	325.00	-
Taneja Aerospace & Aviation Limited	Interest Received	20.89	-
Mr. Arvind Nanda	Sitting Fee	1.94	-
C M Reddy	Sitting Fee	1.94	-
Mr. Shyam Powar	Sitting Fee	1.29	-

TAAL Tech India Private Limited

(All amounts in Lakhs INR unless otherwise stated)

(C) Balance of Amounts (Payable) / Receivable from :-

Name of related party	31-Mar-21	31 Mar 2020
Mr. Salil Taneja	(94.84)	(141.19)
TAAL Technologies Inc, USA	(718.88)	(807.22)
TAAL Tech GmbH, Switzerland	(26.98)	(41.79)
TAAL Enterprises Limited	-	(49.43)

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2020: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 Segment reporting

The Company's operations predominantly relate to providing engineering services. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

Major Customer

Revenue from two customer of the Company's engineering services amounting to INR 2829.66 (31 March 2020: revenue from one customer amounting to INR 1995.21) is more than 10% of the total revenue of the company.

36 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables ,investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

37 Fair value hierarchy

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

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

•Level 2 - Inputs 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 for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

	31-Mar-21	31 Mar 2020
Level 1 (Quoted price in active markets)		
Financial Assets measured at fair value		
Investments in mutual funds at fair value through profit and loss	100.80	1,522.48
Level 2	Nil	Nil
Level 3		
Financial assets measured at amortized cost		
Trade receivables	1,716.56	2,285.12
Security deposits	274.58	180.82
Other Current Financial Assets	293.65	805.98
Financial liabilities measured at amortized cost		
Other Current Financial Liabilities	829.56	1,851.32
Financial assets and liabilities measured at amortized cost for which fair value are disclosed		
Security deposits	275.16	177.69

The fair values of security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

The significant unobservable inputs used in the fair value measurement categorized within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2021 and 31 March 2020 are as shown below:

Description of significant unobservable inputs to valuation:

Financial Instrument	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Security Deposit	DCF Method	Discounting Rate	10% -15%	100 Basis point increase / decrease in the discounting rate would result in decrease / increase in fair value by INR 5. 99666 (31 March 2020: INR 11.35881)

38 Financial risk management objectives and policies

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

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Company is exposed primarily to fluctuations in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

TAAL Tech India Private Limited ★

(All amounts in Lakhs INR unless otherwise stated)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	(i)		(ii)		(iii)		(iv)	
	Change in US$ rate	Effect on profit before tax	Change in NOK rate	Effect on profit before tax	Change in Euro rate	Effect on profit before tax	Change in CAD rate	Effect on profit before tax
31 March 2021	+2.5%	191.35	+5%	1.06	+2%	79.79	+1.5%	4.02
	-2.50%	(191.35)	-5%	(1.06)	-2%	(79.79)	-1.5%	(4.02)
31 March 2020	+2.5%	37.98	+5%	0.97	+2%	13.31	+1.5%	1.84
	-2.50%	(37.98)	-5%	(0.97)	-2%	(13.31)	-1.5%	(1.84)

(B) Credit risk

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

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

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 and 31 March 2020 is the carrying amounts as mentioned in Note 7 to 13.

(C) **Liquidity risk**

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

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than12 months	1 to 5 years	More than 5 years	Total
31-Mar-21				
Short term borrowings	-	-	-	-
Long-term borrowings	-	-	-	-
Trade payables	1,017.28	-	-	1,017.28
Other financial liabilities	829.56	-	-	829.56
	1,846.84	-	-	1,846.84
31 Mar 2020				
Short term borrowings	-	-	-	-
Long-term borrowings	-	-	-	-
Trade payables	988.68	-	-	988.68
Other financial liabilities	1,851.32	-	-	1,851.32
	2,840.00	-	-	2,840.00

39 **Capital management**

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

The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31-Mar-21	31 Mar 2020
Total equity	(i)	5,155.94	3,382.54
Total debt	(ii)	-	-
Overall financing	(iii) = (i) + (ii)	5,155.94	3,382.54
Gearing ratio	(ii)/ (iii)	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

40 **Buyback of Shares**

(i) Equity Shares

During the previous year Company has approved to buy back 1,50,000 equity shares from Mr. Prakash Saralaya, the buyback will be completed on a progressive basis by April 2023 in 3 equal tranches as per terms and other conditions of the buyback agreement. Pursuant to the aforementioned the first tranche of the buyback has been completed.

Pursuant to the Board Resolution, approvals received on, March 29 2021, 50000 shares of the Company which are issued, subscribed and paid-up Equity Capital of the Company were bought back from an eligible shareholder as on the notified Record Date at a price of Rs 1,500 per equity share. Pursuant to the aforementioned the Second tranche of the buy back has been completed subsequent to the year ended March 21.

41 **Covid 19 -Impact**

The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been/was further extended till May 3, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

42 Dividends not recognized at the end of the reporting period

Since year end, the Directors of the Company have recommended the payment of a final dividend of INR 95 per fully paid equity share (31 March 2020: INR NIL) on Board meeting held June 11, 2021. This proposed dividend is subject to the approval of shareholders in ensuring annual general meeting.

43 In December 11th December, Company has entered a lease agreement with K Damodhar HUF for the lease of the office space on the third floor of the buliding known as AKR Tech Park for a period of 9 years. Accordingly, interest free rent deposits used to be recognised at fair value and balance used to be treated as prepaid rent, which was amortised over the period of lease.

Lessees to initially recognize a lease liability for the obligation to make lease payments and a right of use asset for the right to use the underlying asset for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The right of use asset is initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received, the lessee's initial direct costs such as commissions and an estimate cost of restoration, removal and dismantling of an asset. Lessee increases the lease liability to reflect interest cost and reduce the same to reflect lease payments made over a period.

TAAL Tech India Private Limited

TAAL Tech India Private Limited
Notes forming part of the Financial Statements for the year ended 31 March 2021
(All amounts in Lakhs INR unless otherwise stated)

44 Corporate social responsibility expenditure (CSR)

	31-Mar-21		31 Mar 2020	
(a) Gross amount required to be spent by the Company during the year	-	54.42	-	41.14
(b) Amount spent during the year ended on 31 March	Paid in cash	Yet to be paid in cash	Paid in cash	Yet to be paid in cash
(i) Construction / Acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	54.42	-	16.02	25.12

45 Previous year figures have been re-grouped / re-classified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date

For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Deepak Rao
Partner
Membership No: 113292

Place: Bengaluru
Date: June 11, 2021

For and on behalf of the Board of Directors of
TAAL Tech India Private Limited
CIN : U74900KA2012PTC067450

Salil Baldev Raj Taneja
Chairman
DIN:00328668

Place: Pune
Date: June 11, 2021

TAAL Tech India Private Limited