

### INDEPENDENT AUDITOR'S REPORT

To The Members of  
**Instasafe Technologies Private Limited**

#### Report on the Audit of Consolidated financial statements

#### Opinion

We have audited the accompanying Consolidated financial statements of Instasafe Technologies Private Limited ("the Company") and its subsidiary (the company and its subsidiary together referred to as "The Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as ("the Consolidated financial statements")).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Other Matters

- a) We did not audit the Standalone Financial Statement of Instasafe INC whose separate financial statement reflects total assets of Rs. 26,30,887 as at March 31, 2022 (Rs.3,19,71,005/- as at March 31, 2021), total revenue of Rs. 7,93,42,515 for the year ended March 31, 2022 (Rs. 12,75,86,777/- for the year ended March 31, 2021) has been prepared in accordance with accounting principles generally accepted in such country. These financial statements have been audited by other auditor whose reports have been furnished to us by the management. The Company's management has converted the audited financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. Our opinion on the Consolidated Financial Statements, in so far as it

relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the Consolidated Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the management. Our conclusion in so far relates to the balances and affairs of such subsidiary located outside India is based on the conversion adjustments prepared by the management of the Company and reviewed by another Chartered Accountant whose report has been furnished to us on which we placed reliance.

### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
<b>Revenue – Transfer pricing adjustment to intercompany revenue</b>	
<p>As described in Note 27 to the Financial Statements, Instasafe INC, being a wholly owned subsidiary of the company, is engaged primarily into sale of software licenses and other products developed by the company. Considering various factors, an arm's length mark-up has been computed and the company has invoiced for the transfer pricing adjustment.</p>	<p>Our audit procedures relating to transfer pricing adjustment are as follows:</p> <ul style="list-style-type: none"> <li>• We have read the terms and conditions of the draft agreement entered into between parties.</li> <li>• The assumptions used in computing the arm's length markup have been relied upon .</li> <li>• Verified the computation of the transfer pricing adjustment made</li> </ul>
<b>Evaluation of uncertain tax positions</b>	
<p>The Company has material uncertain tax position including matter under dispute which involves significant judgment to determine the possible outcome of these dispute.</p> <p>Refer Note 26 to the Standalone Financial Statements</p>	<p>We involved our internal experts to evaluate the management's underlying assumptions in determining disclosures made in the financial statements and the possible outcome of the dispute. Our internal experts also considered legal precedence and other material in evaluating management's position on these uncertain tax position.</p>
<b>Recognition of Intangible Asset</b>	
<p>The Company has recognised material amount as an intangible asset during the financial year.</p> <p>Ind AS 38 requires, for recognition of an intangible asset, fulfilling following criteria prescribed:</p> <ul style="list-style-type: none"> <li>• Technical and commercial feasibility</li> <li>• Intention to complete and ability to use it</li> <li>• Ability of the asset to generate future economic benefits</li> <li>• Availability of adequate technical,</li> </ul>	<p>We have evaluated the management assertion of the expenditure capitalised with respect to the criteria for capitalisation.</p>

<p>financial and other resources</p> <ul style="list-style-type: none"> <li>• Ability to measure reliably the expenditure attributable to the intangible asset</li> </ul> <p>Refer to Note 28 to the Standalone Financial Statements</p>	
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### **Information Other than the Consolidated financial statements and Auditor’s Report thereon**

The Company’s Board of Director’s is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the Consolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We are unable to report on any misstatements with respect to other information as the same wasn’t made available for verification.

### **Management’s Responsibility for the Consolidated financial statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind-AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor’s Responsibility for the Audit of the Consolidated financial statements**

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

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

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

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

- b. In our opinion proper books of account as required by law relating to preparation of aforesaid Consolidated financial statements have been kept by the Group so far as appears from our examination of those books.
- c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated financial statements
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors of the Group company is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditor’s reports of the Company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of the company, for reasons stated therein.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group has disclosed the impact of pending litigations on its financial positions in Note 26 of its Consolidated financial statements.
  - ii. The Group did not have any long -term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Holding Company.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

**For N J Shetty & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 140718W



**Nisha Shetty**  
Proprietor  
ICAI Membership No. 164725

Place: Mumbai  
Date: May 19, 2022

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Instasafe Technologies Private Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of **Instasafe Technologies Private Limited** (hereinafter referred to as “Company”) as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **For N J Shetty & Associates**

Chartered Accountants

ICAI Firm Registration No. 140718W



**Nisha Shetty**

Proprietor

ICAI Membership No. 164725

Place: Mumbai

Date: May 19, 2022



Instasafe Technologies Private Limited  
Consolidated Balance Sheet as at 31st March, 2022

(Rs. in Thousand)

Particulars		Note No.	As at March 31, 2022	As at March 31, 2021
<b>I. ASSETS</b>				
<b>1 Non-current assets</b>				
a) Property, plant and equipment	4	976	683	
b) Capital work-in-progress	4	-	-	
c) Other Intangible Assets	4	47,923	37,612	
d) Financial assets				
i) Other Financial Assets	5	347	347	
e) Deferred tax assets	15	3,744	-	
f) Current Tax Assets	9	1,431	1,431	
<b>Total non-current assets</b>		<b>54,420</b>	<b>40,072</b>	
<b>2 Current assets</b>				
a) Financial assets				
i) Investments	6	513	496	
ii) Trade receivables	7	12,945	25,257	
iii) Cash and cash equivalents	8	4,814	26,609	
b) Current tax assets (Net)	9	6,174	3,879	
c) Other current assets	10	1,413	643	
<b>Total current assets</b>		<b>25,859</b>	<b>56,884</b>	
<b>Total Assets</b>		<b>80,279</b>	<b>96,956</b>	
<b>II. EQUITY &amp; LIABILITIES</b>				
<b>1 Equity</b>				
a) Equity share capital	11	1,212	1,212	
b) Other equity	12	16,682	25,390	
<b>Total equity</b>		<b>17,894</b>	<b>26,605</b>	
<b>2 Liabilities</b>				
<b>Non-current liabilities</b>				
a) Financial Liabilities:				
i) Borrowings	13	14,137	12,750	
b) Provisions	14	2,859	2,289	
c) Deferred tax liabilities (net)	15	-	522	
d) Other non-current liabilities	16	38,630	41,389	
		<b>55,626</b>	<b>56,951</b>	
<b>Current liabilities</b>				
a) Financial Liabilities:				
i) Trade payables				
a) Trade payables - outstanding dues to micro and small enterprises	17	-	-	
b) Trade payables - outstanding dues to other than micro and small enterprises	17	81	657	
ii) Other financial liabilities	18	3,080	4,417	
b) Provisions	14	70	57	
c) Other current liabilities	19	3,529	8,270	
		<b>6,759</b>	<b>13,400</b>	
<b>Total Equity and Liabilities</b>		<b>80,279</b>	<b>96,956</b>	
Notes 1 to 37 form an integral part of these financial statements				

This is the Balance Sheet referred to in our audit report of even date

**For N J Shetty & Associates**  
Chartered Accountants  
Firm Registration No.140718W

**For and on behalf of the Board of Directors**  
**InstaSafe Technologies Private Limited**

Sd/-  
**Nisha Shetty**  
Proprietor  
Membership No: 164725

Sd/-  
**Sandip Kumar Panda**  
Director  
DIN: 06395769

Sd/-  
**Prakash Baburao Rane**  
Director  
DIN: 00152393

Place: Mumbai  
Date: May 19, 2022

Instasafe Technologies Private Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(Rs. in Thousand)

	Particulars	Notes	For the year ended March 31,	
			2022	2021
<b>1</b>	<b>Income</b>			
	a) Revenue from operations	20	1,20,096	1,56,739
	b) Other income	21	3,610	3,058
	<b>Total income</b>		<b>1,23,707</b>	<b>1,59,797</b>
<b>2</b>	<b>Expenses</b>			
	a) Operating Expense		52,197	52,890
	b) Employee benefits expense	22	29,353	36,079
	c) Finance costs	23	1,387	1,159
	d) Depreciation and amortisation expense	24	12,953	8,940
	e) Other expenses	25	40,850	32,925
	<b>Total expenses</b>		<b>1,36,740</b>	<b>1,31,993</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>		(13,033)	27,804
<b>4</b>	<b>Exceptional item</b>		-	-
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>(13,033)</b>	<b>27,804</b>
<b>6</b>	<b>Tax expense</b>			
	a) Current tax		-	7,690
	b) Deferred tax		(4,266)	16
	<b>Total Tax expense</b>		<b>(4,266)</b>	<b>7,706</b>
<b>7</b>	<b>Profit for the year from continuing operations (5-6)</b>		<b>(8,767)</b>	<b>20,098</b>
<b>8</b>	<b>Other comprehensive income (OCI)</b>			
	<b>Items that will not to be reclassified to profit or loss</b>			
	Measurements of defined employee benefit plans		164	(164)
	Exchange differences on translation into presentation currency		(102)	15
	Income tax effect on the above		-	-
	<b>Total Other Comprehensive Income (OCI) net of Tax</b>		<b>62</b>	<b>(150)</b>
<b>9</b>	<b>Total comprehensive income for the year (7+8)</b>		<b>(8,706)</b>	<b>19,949</b>
	<b>Earnings per equity share of Rs.10 each</b>			
	a) Basic (In Rs.)	32	(71.84)	164.63
	b) Diluted (In Rs.)	32	(45.24)	103.67
	Notes 1 to 37 form an integral part of these financial statements			

This is the Statement of Profit and Loss referred to in our audit report of even date

**For N J Shetty & Associates**

Chartered Accountants

Firm Registration No.140718W

**For and on behalf of the Board of Directors**

**InstaSafe Technologies Private Limited**

Sd/-

**Nisha Shetty**

Proprietor

Membership No: 164725

Sd/-

**Sandip Kumar Panda**

Director

DIN: 06395769

Sd/-

**Prakash Baburao Rane**

Director

DIN: 00152393

Place: Mumbai

Date: May 19, 2022

Instasafe Technologies Private Limited  
Consolidated statement of Changes in Equity for the year ended March 31, 2022

A Equity Share Capital

(Rs. in Thousand)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,212	-	1,212	-	1,212

(Rs. in Thousand)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,212	-	1,212	-	1,212

B Other Equity

(Rs. in Thousand)

Particulars	Other Equity			Total
	Reserves and Surplus		Items of other comprehensive income	
	Securities Premium Reserve	Retained Earnings	Actuarial Gain / (Loss)	
<b>As at April 1, 2020</b>	15,379	(10,603)	665	5,442
Profit/(Loss) for the Year		20,098		20,098
Exchange difference on translation into presentation currency			15	15
Remeasurement of defined benefit Plan			(164)	(164)
<b>Balance as at March 31, 2021</b>	<b>15,379</b>	<b>9,495</b>	<b>516</b>	<b>25,390</b>
<b>As at April 1, 2021</b>	15,379	9,495	516	25,390
Profit/(Loss) for the Year		(8,767)		(8,767)
Exchange difference on translation into presentation currency			(102)	(102)
Remeasurement of defined benefit Plan			164	164
<b>Balance as at March 31, 2022</b>	<b>15,379</b>	<b>728</b>	<b>577</b>	<b>16,682</b>

Notes 1 to 37 form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

**Securities premium** - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

**Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.

As per our report attached.

**For N J Shetty & Associates**  
Chartered Accountants  
Firm Registration No.140718W

**For and on behalf of the Board of Directors**  
**InstaSafe Technologies Private Limited**

Sd/-  
**Nisha Shetty**  
Proprietor  
Membership No: 164725

Sd/-  
**Sandip Kumar Panda**  
Director  
DIN: 06395769

Sd/-  
**Prakash Baburao Rane**  
Director  
DIN: 00152393

Place: Mumbai  
Date: May 19, 2022

Instasafe Technologies Private Limited  
Consolidated Cash Flow Statement for the year ended March 31, 2022

Particulars	(Rs. Thousand)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax from continuing operations	(13,033)	27,804
Profit / (Loss) before tax from discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>(13,033)</b>	<b>27,804</b>
<b>Non-cash adjustment to profit / (loss) before tax:</b>		
Depreciation	12,953	8,940
Interest income	(582)	(237)
Finance cost	1,387	1,159
Fair Valuation Gain on Preference Shares	(2,759)	(2,547)
Liability written back	-	(96)
Debtor Balances written-off	268	36
Exchange differences on translation into presentation currency	(102)	15
Change in fair value of financial assets measured at fair value through profit or loss	(17)	(135)
	<b>(1,885)</b>	<b>34,938</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	12,040	(3,426)
Increase/(decrease) in trade payables	(576)	(755)
Decrease/(increase) in loans & other financial assets	-	(65)
Decrease/(increase) in other current assets	(771)	(112)
Increase/(decrease) in other financial liabilities	(1,337)	(7,381)
Increase/(decrease) in other current liabilities	(4,741)	5,601
Increase/(decrease) in non-current provisions	733	523
Increase/(decrease) in current provisions	13	17
<b>Cash from Operations</b>	<b>3,476</b>	<b>29,339</b>
Direct tax paid	(2,296)	(6,849)
<b>Net cash flow generated / (used in) operating activities (A)</b>	<b>1,181</b>	<b>22,490</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(615)	(655)
Payment for software development cost	(22,943)	(16,153)
(Investment in) / Redemption of mutual funds	-	3,500
Interest income	582	237
<b>Net cash from / (used in) investing activity</b>	<b>(22,976)</b>	<b>(13,072)</b>
<b>Cash flow from financing activity</b>		
Increase/(decrease) in financial liabilities - borrowings	1,387	1,159
Increase/(decrease) in fair value of Preference Shares Liability	(2,759)	(2,547)
Fair Valuation Gain on Preference Shares	2,759	2,547
Finance cost	(1,387)	(1,159)
<b>Net cash flow from / (used in) financing activity</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(21,795)</b>	<b>9,420</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>26,609</b>	<b>17,189</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>4,814</b>	<b>26,609</b>
<b>Cash and cash equivalents as per note 8 to the financial statements</b>		
Balance with Bank	4,814	26,609
Cash in hand	-	-
Cheques in hand	-	-
<b>Total</b>	<b>4,814</b>	<b>26,609</b>

For N J Shetty & Associates  
Chartered Accountants  
Firm Registration No.140718W

For and on behalf of the Board of Directors  
InstaSafe Technologies Private Limited

Sd/-  
Nisha Shetty  
Proprietor  
Membership No: 164725

Sd/-  
Sandip Kumar Panda  
Director  
DIN: 06395769

Sd/-  
Prakash Baburao Rane  
Director  
DIN: 00152393

Place: Mumbai  
Date: May 19, 2022

## 4. Property, plant and equipment

(Rs. In Thousand)

Particulars	Gross carrying Value					Accumulated depreciation and impairment				Net carrying Value	
	As at 1st April 2021	Additions during the year	Deletions during the year	Transfers	As at 31st March 2022	As at 1st April 2021	Depreciation / amortisation for the year	Deductions or Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
<b>Property, plant and equipments:</b>											
Computers	1,466	366	-	-	1,833	839	291	-	1,130	702	627
Office equipment	163	-	-	-	163	107	23	-	130	33	56
Office Furniture	-	249	-	-	249	-	8	-	8	241	-
<b>Total</b>	<b>1,629</b>	<b>615</b>	<b>-</b>	<b>-</b>	<b>2,244</b>	<b>946</b>	<b>322</b>	<b>-</b>	<b>1,268</b>	<b>976</b>	<b>683</b>
<b>Intangible assets:</b>											
Software	55,011	22,943	-	-	77,954	17,399	12,631	-	30,030	47,923	37,612
<b>Grand Total</b>	<b>56,640</b>	<b>23,558</b>	<b>-</b>	<b>-</b>	<b>80,198</b>	<b>18,345</b>	<b>12,953</b>	<b>-</b>	<b>31,298</b>	<b>48,899</b>	<b>38,295</b>
<b>Previous year</b>	<b>39,832</b>	<b>16,808</b>	<b>-</b>	<b>-</b>	<b>56,640</b>	<b>9,405</b>	<b>8,940</b>	<b>-</b>	<b>18,345</b>	<b>38,295</b>	<b>30,427</b>
Capital work-in-progress	-	22,943	-	22,943	-	-	-	-	-	-	-

Particulars	Gross carrying Value					Accumulated depreciation and impairment				Net carrying Value	
	As at 1st April 2020	Additions during the year	Deletions during the year	Transfers	As at 31st March 2021	As at 1st April 2020	Depreciation / amortisation for the year	Deductions or Adjustments	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
<b>Property, plant and equipments:</b>											
Computers	852	614	-	-	1,466	777	62	-	839	627	75
Office equipment	122	41	-	-	163	81	26	-	107	56	41
<b>Total</b>	<b>974</b>	<b>655</b>	<b>-</b>	<b>-</b>	<b>1,629</b>	<b>858</b>	<b>88</b>	<b>-</b>	<b>946</b>	<b>683</b>	<b>116</b>
<b>Intangible assets</b>											
Software	38,858	16,153	-	-	55,011	8,547	8,852	-	17,399	37,612	30,311
<b>Grand Total</b>	<b>39,832</b>	<b>16,808</b>	<b>-</b>	<b>-</b>	<b>56,640</b>	<b>9,405</b>	<b>8,940</b>	<b>-</b>	<b>18,345</b>	<b>38,295</b>	<b>30,427</b>
<b>Previous year</b>	<b>24,631</b>	<b>15,201</b>			<b>39,832</b>	<b>3,314</b>	<b>6,091</b>		<b>9,405</b>	<b>30,427</b>	<b>21,317</b>
Capital work-in-progress	-	16,153	-	16,153	-	-	-	-	-	-	-

5 Other Financial Assets		(Rs. in Thousand)	
		As at March 31,	
Particulars		2022	2021
<b>Security Deposits</b>			
Unsecured, considered good		347	347
<b>Total non-current loans</b>		<b>347</b>	<b>347</b>

6 Current Investments		(Rs. in Thousand)	
		As at March 31,	
Particulars		2022	2021
<b>Investment in mutual funds</b>			
<b>Quoted</b>			
<b>Investments carried at Fair value through the statement of Profit and Loss :</b>			
Investments in Mutual Funds		513	496
March-22 : 14998.533 units of Canara Robeco Savings Fund - Regular plan - Growth (March 2021 : 14998.533 Units)			
<b>Total Current Investments</b>		<b>513</b>	<b>496</b>

Aggregate books value of quoted investments	513	496
Aggregate market value of investments designated at FVTPL	513	496
Aggregate amount of unquoted investments	-	-

7 Trade Receivable		(Rs. in Thousand)	
		As at March 31,	
Particulars		2022	2021
<b>Trade Receivable</b>			
Trade Receivables - Considered good and secured		-	-
Trade Receivables - Considered good and unsecured		12,945	25,257
Trade Receivables - Doubtful which have significant increase in Credit Risk		-	-
Trade Receivables - Credit Impaired		-	-
<b>Total Trade Receivable</b>		<b>12,945</b>	<b>25,257</b>

Particulars	(Rs. in Thousand)					
	As at March 31, 2022					
	Less than 6 months	6 Month - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	12,541	188	-	2	214	12,945
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total Trade receivables</b>	<b>12,541</b>	<b>188</b>	<b>-</b>	<b>2</b>	<b>214</b>	<b>12,945</b>

Particulars	(Rs. in Thousand)					
	As at March 31, 2021					
	Less than 6 months	6 Month - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	25,015	-	-	242	-	25,257
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total Trade receivables</b>	<b>25,015</b>	<b>-</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>25,257</b>

8 Cash and cash equivalents		(Rs. in Thousand)	
		As at March 31,	
Particulars		2022	2021
<b>Balances with banks in current accounts</b>			
(i) In current accounts		4,814	26,557
(ii) Deposits with original maturity less than 3 months		-	52
<b>Cash on hand</b>		-	-
<b>Total cash and cash equivalents</b>		<b>4,814</b>	<b>26,609</b>

9 Income Tax Assets (net)		(Rs. in Thousand)	
Particulars		As at March 31,	
		2022	2021
<b>Current Assets</b>			
Income tax paid		13,864	11,569
Less: - Provision for Income tax		7,690	7,690
<b>Total Non Current Income Tax Assets (net)</b>		<b>6,174</b>	<b>3,879</b>
<b>Non - Current Assets</b>			
TDS Receivable FY 17-18		391	391
TDS Receivable FY 16-17		1,040	1,040
<b>Total Current Income Tax Assets (net)</b>		<b>1,431</b>	<b>1,431</b>

10 Other current assets		(Rs. in Thousand)	
Particulars		As at March 31,	
		2022	2021
Prepaid expense		1,342	457
Advance to Vendor		71	-
Other Advance		1	186
<b>Total Other current assets</b>		<b>1,413</b>	<b>643</b>

13 Borrowing		(Rs. in Thousand)	
Particulars		As at March 31,	
		2022	2021
Loan from ABM Knowledgeware Limited - Preference share liability		14,137	12,750
<b>Total Borrowing</b>		<b>14,137</b>	<b>12,750</b>

14 Provisions		(Rs. in Thousand)			
Particulars		As at March 31,			
		Non current		Current	
		2022	2021	2022	2021
Provision for Gratuity		2,858	2,289	70	57
<b>Total Provisions</b>		<b>2,859</b>	<b>2,289</b>	<b>70</b>	<b>57</b>

15 Deferred Tax Asset/Liability		(Rs. in Thousand)			
Particulars		As at March 31,			
		Non current		Current	
		2022	2021	2022	2021
<b>Deductible Expenditure</b>					
Expenses allowed on Payment basis				737	590
Tax Losses to be carried forward				4,100	-
				<b>4,837</b>	<b>590</b>
<b>Taxable Temporary Difference</b>					
Depreciation adjustment as per Books and Income Tax				1,093	1,112
				<b>1,093</b>	<b>1,112</b>
<b>Total Deferred Asset/(Liability)</b>				<b>3,744</b>	<b>(522)</b>

Movement in gross deferred tax liability/asset

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
<b>2021-2022</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
Unabsorbed depreciation as per Income tax	(1,112)	19	(1,093)
Tax Losses to be carried forward	-	4,100	4,100
Expenses provided but allowable on payment basis	590	147	737
<b>Total</b>	<b>(522)</b>	<b>4,266</b>	<b>3,744</b>
<b>2020-2021</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
Unabsorbed depreciation as per Income tax	(920)	192	(1,112)
Expenses provided but allowable on payment basis	414	(176)	590
<b>Total</b>	<b>(506)</b>	<b>16</b>	<b>(522)</b>

## The Analysis of Deferred tax Asset and Deferred tax Liability

Particulars	As at March 31	
	2022	2021
<b>Deferred Tax Asset</b>		
Deferred Tax Asset to be recovered after more than 12 Month	4,837	-
Deferred Tax Asset to be recovered within 12 Month	-	-
	<b>4,837</b>	<b>-</b>
<b>Deferred Tax Liability</b>		
Deferred Tax Liability to be recovered after more than 12 Month	1,093	1,112
Deferred Tax Liability to be recovered within 12 Month	-	-
	<b>1,093</b>	<b>1,112</b>

## Unrecognised deductible temporary differences, Unused Tax Loss and Unused Tax Credit

Particulars	As at March 31	
	2022	2021
<b>Deductible Temporary differences</b>		
Unused Tax Losses	16,289	-
Unused Tax Credit	-	-
	<b>16,289</b>	<b>-</b>

## 16 Other Non Current liabilities

(Rs. in Thousand)

Particulars	As at March 31	
	2022	2021
Fair valuation liability on preference shares	38,630	41,389
<b>Total Other Non Current liabilities</b>	<b>38,630</b>	<b>41,389</b>

## 17 Trade payables

(Rs. in Thousand)

Particular	As at March 31,	
	2022	2021
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	81	657
<b>Total Trade payables</b>	<b>81</b>	<b>657</b>

## Trade payables Ageing March-22

(Rs. In Thousand)

Particulars	As at March 31, 2022				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Micro and small enterprises	-	-	-	-	-
Other than micro and small enterprises	81	-	-	-	81
Disputed dues – micro and small enterprises	-	-	-	-	-
Disputed dues – creditors other than micro and small enterprises	-	-	-	-	-
<b>Total Trade payables</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>

## Trade payables Ageing March-21

(Rs. in Thousand)

Particulars	As at March 31, 2021				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Micro and small enterprises	-	-	-	-	-
Other than micro and small enterprises	657	-	-	-	657
Disputed dues – micro and small enterprises	-	-	-	-	-
Disputed dues – creditors other than micro and small enterprises	-	-	-	-	-
<b>Total Trade payables</b>	<b>657</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>657</b>

## 18 Other financial liabilities

(Rs. in Thousand)

Particulars	As at March 31	
	2022	2021
Salary & Employee Benefit Payable	896	773
Liability for expenses	2,184	3,643
<b>Total Other financial liabilities</b>	<b>3,080</b>	<b>4,417</b>

## 19 Other current liabilities

(Rs. in Thousand)

Particulars	As at March 31	
	2022	2021
Statutory Liabilities	2,097	7,659
Advance from Customers	694	38
<b>Unearned Revenue:</b>		
Opening Balance	573	-
Less: Revenue recognised	(573)	-
Add: Contract Liability	738	573
<b>Total Unearned Revenue</b>	<b>738</b>	<b>573</b>
<b>Total Other financial liabilities</b>	<b>3,529</b>	<b>8,270</b>



## 11 Equity share capital

(Rs. In Thousand)

Particulars	As at March 31		As at March 31	
	2022		2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share Capital</b>				
(a) Equity shares of Rs. 10/- each with voting rights	1,56,600	1,566	1,56,600	1,566
(b) Compulsory convertible Preference shares of Rs. 170/- each	73,142	12,434	73,142	12,434
	<b>2,29,742</b>	<b>14,000</b>	<b>2,29,742</b>	<b>14,000</b>
<b>Issued, subscribed and fully paid up share capital</b>				
(a) Equity shares of Rs. 10/- each with voting rights	1,21,175	1,212	1,21,175	1,212
(b) Compulsory convertible Preference shares of Rs. 170/- each	-	-	-	-
	<b>1,21,175</b>	<b>1,212</b>	<b>1,21,175</b>	<b>1,212</b>

## Notes:

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

## Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening Balance	1,21,175	1,212	1,21,175	1,212
Conversion of compulsory convertible preference shares into equity share	-	-	-	-
<b>Closing Balance</b>	<b>1,21,175</b>	<b>1,212</b>	<b>1,21,175</b>	<b>1,212</b>

## (ii) The rights, preferences and restrictions attached to equity shares

The Company has issued one class of shares referred to as equity shares with a par value of Rs 10/- each. The voting rights on equity shares is restricted to only one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (iii) Terms of conversion of compulsory convertible preference shares

Preference shares will be converted into such number of fully paid up equity shares as per the terms & conditions set out in Share subscription and share holding agreement (SSSHA) within a period of 20 years from the effective date of SSSHA i.e. 12 May 2017.

## (iv) Disclosure of number of shares held by Holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares of Rs.10/- each fully paid ABM Knowledgeware Limited	25,225	25,225

## (v) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of Rs.10/- fully paid up with voting rights</b>				
Sandip Kumar Panda	63,631	52.5%	63,631	52.5%
Biju George	15,151	12.5%	15,151	12.5%
Sunil Kumar Pillai	7,070	5.8%	7,070	5.8%
Prashanth Guruswamy	10,098	8.3%	10,098	8.3%
ABM Knowledgeware Limited	25,225	20.8%	25,225	20.8%

**(vi) Other details of Equity Shares for a period of five years immediately preceding March 31, 2022**

Company has allotted 20,175 equity share of Rs.10/- each on 12 May 2017 as fully paid up on conversion of compulsory convertible preference shares into equity without payment being received in cash.

**(vii) Details of shares held by Promoters**

Shares held by promoters		As at March 31, 2022		
Promoter name	No. of Shares	% of total shares	% Change during the year	
Sandip Kumar Panda	63,631	52.51%	-	
Biju George	15,151	12.50%	-	
Prashanth Guruswamy	10,098	8.33%	-	
ABM Knowledgeware Limited	25,225	20.82%	-	

Shares held by promoters		As at March 31, 2021		
Promoter name	No. of Shares	% of total shares	% Change during the year	
Sandip Kumar Panda	63,631	52.51%	-	
Biju George	15,151	12.50%	-	
Prashanth Guruswamy	10,098	8.33%	-	
ABM Knowledgeware Limited	25,225	20.82%	-	

**12 Other equity**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Securities Premium</b>		
Opening balance	15,379	15,379
Add: Premium received on allotment	-	-
Add: Premium on conversion of compulsory convertible preference shares into equity shares	-	-
<b>Closing balance</b>	<b>15,379</b>	<b>15,379</b>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	10,999	(8,964)
Add: Profit / (Loss) for the year	(8,604)	19,963
Closing balance	<b>2,394</b>	<b>10,999</b>
<b>(c) Foreign Currency Translation Reserve (FCTR)</b>		
Opening balance	(989)	(974)
Add: Exchange difference on translation into presentation currency	(102)	(15)
Closing balance	<b>(1,091)</b>	<b>(989)</b>
<b>Total Other Equity (a) + (b) + (c)</b>	<b>16,682</b>	<b>25,390</b>

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**20 Revenue From Operations** (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Income from sale of products and services	1,27,419	1,63,145
Less: GST recovered	7,322	6,406
<b>Total revenue from operations</b>	<b>1,20,096</b>	<b>1,56,739</b>

**21 Other income** (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
<b>Income related to financial assets</b>		
Interest on FD	582	237
Interest on income tax refund	-	40
Gain on redemption	-	-
<b>Other non - operating income</b>		
Fair valuation gain on preference shares	2,759	2,547
Fair valuation on financial asset	17	135
Miscellaneous Income	3	100
Gain on foreign currency translation	248	-
<b>Total Other Income</b>	<b>3,610</b>	<b>3,058</b>

**22 Employee benefit expenses** (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Salaries and allowances	28,428	35,597
Gratuity	746	881
Staff welfare expenses	179	(399)
<b>Total Employee Benefit Expenses</b>	<b>29,353</b>	<b>36,079</b>

**23 Finance cost** (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Interest Expenses on Loan From ABM	1,387	1,159
<b>Total finance cost</b>	<b>1,387</b>	<b>1,159</b>

**24 Depreciation and amortisation expenses** (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2020
Depreciation	322	88
Amortisation of Intangible Asset	12,631	8,852
<b>Total depreciation and amortisation expenses</b>	<b>12,953</b>	<b>8,940</b>

## 25 (i) Other expenses (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Rent	140	695
Rates and taxes	161	237
Communication expenses	14,639	8,096
Commission	3,101	1,348
Data centre expenses	549	1,185
Travelling and conveyance	395	418
Purchase/subscription of software	238	31
Printing and stationery	91	59
Sales promotion and marketing expenses	2,534	2,129
Website hosting/domain renewals	302	173
Legal and professional	15,843	12,082
Bank charges	255	62
Foreign exchange loss/(gain)	-	1,809
SMS Charges	595	1,899
Miscellaneous expenses	1,921	2,615
<b>Total other expenses</b>	<b>40,765</b>	<b>32,840</b>

## 25 (ii) Payment to auditors (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Audit of the Company:		
Statutory & Tax Audit	85	85
<b>Total payment to auditors</b>	<b>85</b>	<b>85</b>

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**26 Contingent liabilities and capital commitments (to the extent not provided for): (Rs. in Thousand)**

Particulars	As at March 31,	
	2022	2021
<b>(i) Contingent Liabilities:</b>		
Claims against the Company, not acknowledged as debts*	3,886	3,886
<b>Capital commitments :</b>		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	Nil	Nil
Other Commitments	Nil	Nil

\*For Assessment Year 2016 - 2017, the Company has received assessment order u/s 143(3) of the Income Tax Act, dated 18th December 2018, raising a tax demand of Rs. 38,85,541. The Company has already contested the demand at the appropriate Appellate Forum and the Management feels that the outcome of the appeal will be in the company's favour in as much as the grounds on which the additions made to the income are applicable to many start-ups.

**27 Revenue**

Instasafe INC ('Instasafe US') was incorporated in August, 2018 as a wholly owned subsidiary of Instasafe Technologies Private Limited ('Instasafe India'). Instasafe US was engaged mainly as a distributor for sale of software licenses and other products which are developed by Instasafe India.

Any transaction with an associated enterprise which is non-resident and have an bearing on the profits, income, losses or assets of such enterprises, then such transaction are termed as 'international transaction'. Such International transaction entered with the associated enterprise will result into applicability of transfer pricing provisions as per the Income Tax Act, 1961. The transfer pricing provisions requires the transaction between associated enterprises to be at arm's length. The transfer pricing provisions entails computation of Arm's length price through various methods and benchmark analysis, and this price is used for transacting with the associated enterprise.

**28 Intangible Assets**

During the Financial year 2021-22, an additional amount of Rs. 22,943 thousand has been recognised as an Intangible asset on fulfilment of the recognition criteria during the financial year 2021-22.

The useful life of the intangible asset is estimated to be 5 years and overall amortisation has been worked out accordingly.

**29 Earnings in Foreign Exchange (Rs. in Thousand)**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Service-as a-Subscription	9,619	71,686

**30 Employee benefits****a) Short term employee benefits**

All employee benefits falling due within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related services.

**b) Long term employee benefits****Defined contribution plans**

Provident fund:

The company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expense recognised in the statement of profit and loss of Rs. 7,93,422

(For the year ended March 31, 2021 : Rs. 3,42,828) represents contributions payable to Provident fund by the Company at rates specified in rules of the plans.

Particulars	(Rs. in Thousand)	
	As at March 31,	
	2022	2021
<b>Amount recognised in the statement of Profit and Loss</b>		
Current service cost	587	427
Finance cost/(income)	159	112
Past service cost	-	-
<b>Total expense recognised in the Statement of profit /loss</b>	<b>747</b>	<b>538</b>
<b>Amount recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognised for the period	(164)	164
Return on plan assets excluding net interest	-	-
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income (OCI)</b>	<b>(164)</b>	<b>164</b>

Particulars	As at March 31,	
	2022	2021
	<b>Changes in present value of obligation</b>	
Present value of obligation at the beginning	2,346	1,643
Interest cost	159	112
Current service cost	587	427
Past service cost	-	-
Benefits paid	-	-
Actuarial (Gains)/Losses on present value of obligation	(164)	164
<b>Present value of obligation at the end</b>	<b>2,928</b>	<b>2,346</b>
<b>Actuarial assumptions</b>		
<b>Financial assumptions</b>		
Discount rate	7.10%	6.79%
Salary Escalation	5.00%	5.00%
Attrition	2.00%	2.00%
<b>Demographic assumptions</b>		
Mortality rate	IALM (2006-08) Ultimate	IALM (2012-14) Ultimate

c) The defined benefit obligations shall mature after year end March 31, 2022 as follows:

Year	(Rs. in Thousand)	
	As at March 31,	
	2022	2021
First year	70	57
Second year	72	61
Third year	83	64
Fourth year	91	72
Fifth year	102	77
Sixth to Ten year	575	535

**Sensitivity analysis:**

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

Particular	(Rs. in Thousand)	
	As at March 31,	
	2022	2021
Discount rate increase by 100 basis Points	2,586	2,071
Discount rate decrease by 100 basis Points	3,332	2,669
Salary Escalation rate increase by 100 basis points	3,255	2,620
Salary Escalation rate decrease by 100 basis points	2,587	2,068

**31 Related party transactions****a) List of related parties and its relationships**

<b>Directors</b>	Mr. Sandip Kumar Panda Mr. Devendra Kamlakar Parulekar Mr. Prakash Baburao Rane
<b>Key Management Personnel</b>	Mr. Prashanth Guruswamy Mr. Biju George
<b>Holding Company</b>	ABM Knowledgeware Ltd
<b>Wholly Owned Subsidiary</b>	Instasafe INC

**b) Following is the summary of significant transactions with related parties (Rs. in Thousand)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration to key management personnel</b>		
Salary to Mr. Sandip Kumar Panda	4,500	5,729
Salary to Mr. Prashanth Guruswamy	3,600	5,149
Salary to Mr. Biju George	3,600	5,037
<b>Incentives paid/payable</b>		
Mr. Sandip Kumar Panda	-	6,400
Mr. Prashanth Guruswamy	-	2,800
Mr. Biju George	-	5,200

**c) Amount payable to related parties are as follows:**

	As at March 31, 2022	As at March 31, 2021
Payable to Mr. Sandip Kumar Panda	150	28
Payable to Mr. Prashanth Guruswamy	165	231
Payable to Mr. Biju George	2	29
	<b>317</b>	<b>288</b>

**32 Earning Per Share**

Particulars	March 31, 2022	March 31, 2021
Net Profit After tax (In Rs.)	(8,706)	19,949
Weighted Average number of Equity shares outstanding basic (In thousand)	121	121
Weighted Average number of Equity shares outstanding Diluted (In thousand)	192	192
Earnings per share- Basic (In Rs.) (Face value of Rs. 10/-each)	(71.84)	164.63
Earnings per share- Diluted (In Rs.) (Face value of Rs. 10/-each)	(45.24)	103.67

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**33 Capital management****33.1 Risk management**

The Company's objectives when managing capital are to

- (i) Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)  
divided by  
Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

	As at March 31,	
	2022	2021
Net debt	14,137	12,750
Total equity	17,894	26,605
<b>Net debt to equity ratio</b>	0.79	0.48

**33.2 Financial Instruments****(i) Method and assumptions used to estimate the fair value**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non assets and liabilities. 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. A fair value measurement assumes 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. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy Based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:**

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities.

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

Level 3: Unobservable inputs for the asset or liability

**March 31, 2022**

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Long Term Loans	347			347			-
Trade Receivables	12,945			12,945			-
Cash & Cash equivalents	4,814			4,814			-
Short term Loans	1			1			-
Investments	513	513		175	513		-
	<b>18,619</b>	<b>513</b>	-	<b>18,281</b>	<b>513</b>	-	-
<b>Financial Liabilities</b>							
	Carrying Value			Amortised Cost			
		FVTPL	FVTOCI		Level 1	Level 2	Level 3
Borrowings	14,137			14,137			
Trade payables	81			81			
Other financial liabilities	3,080			3,080			
	<b>17,297</b>	-	-	<b>17,297</b>	-	-	-



March 31, 2021

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Long Term Loans	347			347			-
Trade Receivables	25,257			25,257			-
Cash & Cash equivalents	26,609			26,609			-
Short term Loans	186			186			-
Investments	496	496		-	496		-
	<b>52,895</b>	<b>496</b>	<b>-</b>	<b>52,398</b>	<b>496</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
	Carrying Value			Amortised Cost	Level 1	Level 2	Level 3
		FVTPL	FVTPL				
Borrowings	12,750			12,750			
Trade payables	657			657			-
Other financial liabilities	4,417			4,417			-
	<b>17,824</b>	<b>-</b>	<b>-</b>	<b>17,824</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 33.3 Financial Risk Management

The board of director has overall responsibility for the establishment & oversight of the company's risk management framework.

The Company's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors/Management.

#### Credit Risk :

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

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**Instasafe Technologies Private Limited****Significant accounting policies and other explanatory information as at and for the year ended March 31, 2022****34 Balance Confirmations from Debtors and Creditors :**

The balances of Sundry Debtors, Sundry Creditors and loans & advances are subject to confirmation and considered as per records provided before us. During the year, the management has not sent the confirmation letters. In the opinion of the management, no material differences will arise in the balances, However an external confirmations have been sent by the auditors which have not been responded to except for few parties.

**35 Micro and Small Enterprises**

Particulars	For the year ended March 31,	
	2022	2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has 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	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year #	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

# The amount due to each vendor is immaterial as per the management and as such no interest has been provided in the previous period.

For the year, the mail for confirming the MSME status was sent to the suppliers, which have not been responded till signing date.

## 36 Additional Disclosure

36(i)

## Significant Financial Ratios

Ratio	Current Period	Previous Period	% of Variance	Reason for Variance
(a) Current Ratio	3.83	4.25	(9.87)	
(b) Return on Equity Ratio (%)	-39%	121%	(132.60)	Note 1
(c) Trade Receivables turnover ratio	6.29	6.66	(5.56)	
(d) Net capital turnover ratio	6.29	3.60	74.43	Note 2
(e) Net profit ratio (%)	-7.30%	12.82%	(156.93)	Note 3
(f) Return on Capital employed (%)	-65.08%	108.86%	(159.79)	Note 4
(g) Return on investment (%)	3.42%	2.64%	29.83	Note 5

Note 1: Return on Equity ratio has decreased on account of loss in current year.

Note 2: Net capital turnover ratio has increased on account of decrease in working capital.

Note 3: Net profit ratio has decreased on account of loss in current year.

Note 4: Return on capital Employed has decreased on account of loss in current year.

Note 5: Return on Investment has increased on account of increase in investment in fixed deposit

36(ii) There are no immovable property held by the company.

36(iii) The Company has not revalued its Property, Plant and Equipment.

36(iv) No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties.

36(v) There are no capital work-in-progress and intangible assets under development.

36(vi) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

36(vii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

36(viii) The company has not entered into any transactions with struck off-companies u/s 248 of the Companies Act, 2013.

37 Previous years figures have been regrouped/reclassified whenever necessary to correspond with the current years classification/disclosure.

As per our report attached.

**For N J Shetty & Associates**

Chartered Accountants

Firm Registration No.140718W

**For and on behalf of the Board of Directors**

**InstaSafe Technologies Private Limited**

Sd/-

**Nisha Shetty**

Proprietor

Membership No: 164725

Sd/-

**Sandip Kumar Panda**

Director

DIN: 06395769

Sd/-

**Prakash Baburao Rane**

Director

DIN: 00152393

Place: Mumbai

Date: May 19, 2022

### INDEPENDENT AUDITOR'S REPORT

To The Members of  
**Instasafe Technologies Private Limited**

#### Report on the Audit of Standalone financial statements

#### Opinion

We have audited the accompanying Standalone financial statements of Instasafe Technologies Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the loss (financial performance including total comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Auditor's Response
<b>Revenue – Transfer pricing adjustment to intercompany revenue</b>	
As described in Note 29 to the Financial Statements, Instasafe INC, being a wholly owned subsidiary of the company, is engaged	Our audit procedures relating to transfer pricing adjustment are as follows:

<p>primarily into sale of software licenses and other products developed by the company. Considering various factors, an arm's length mark-up has been computed and the company has invoiced for the transfer pricing adjustment.</p>	<ul style="list-style-type: none"> <li>• We have read the terms and conditions of the agreement entered into between parties.</li> <li>• The assumptions used in computing the arm's length markup have been relied upon .</li> <li>• Verified the computation of the transfer pricing adjustment made</li> </ul>
<p><b>Evaluation of uncertain tax positions</b></p>	
<p>The Company has material uncertain tax position including matter under dispute which involves significant judgment to determine the possible outcome of these dispute.</p> <p>Refer Note 28 to the Standalone Financial Statements</p>	<p>We involved our internal experts to evaluate the management's underlying assumptions in determining disclosures made in the financial statements and the possible outcome of the dispute. Our internal experts also considered legal precedence and other material in evaluating management's position on these uncertain tax position.</p>
<p><b>Recognition of Intangible Asset</b></p>	
<p>The Company has recognised material amount as an intangible asset during the financial year.</p> <p>Ind AS 38 requires, for recognition of an intangible asset, fulfilling following criteria prescribed:</p> <ul style="list-style-type: none"> <li>• Technical and commercial feasibility</li> <li>• Intention to complete and ability to use it</li> <li>• Ability of the asset to generate future economic benefits</li> <li>• Availability of adequate technical, financial and other resources</li> <li>• Ability to measure reliably the expenditure attributable to the intangible asset</li> </ul> <p>Refer to Note 30 to the Standalone Financial Statements</p>	<p>We have evaluated the management assertion of the expenditure capitalised with respect to the criteria for capitalisation.</p>

**Information Other than the Standalone financial statements and Auditor's Report thereon**

The Company's Management and Board of Director's is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

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

In connection with our audit of Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We are unable to report on any misstatements with respect to other information as the same wasn't made available for verification.

## **Management's and Board of Directors' Responsibility for the Standalone financial statements**

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

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

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

## **Auditor's Responsibility for the Audit of the Standalone financial statements**

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

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

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

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in the aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i)

planning the scope of our audit work and evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Standalone Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial positions in Note of its Standalone financial statements.
    - ii. The Company did not have any long -term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or

entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. No dividend has been declared or paid during the year.

h. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For N J Shetty & Associates**

Chartered Accountants

ICAI Firm Registration No. 140718W



**Nisha Shetty**

Proprietor

ICAI Membership No. 164725

Place: Mumbai

Date: May 19, 2022



## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Instasafe Technologies Private Limited of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Instasafe Technologies Private Limited** (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

## Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## For N J Shetty & Associates

Chartered Accountants

ICAI Firm Registration No. 140718W



**Nisha Shetty**

Proprietor

ICAI Membership No. 164725

Place: Mumbai

Date: May 19, 2022

## **ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Instasafe Technologies Private Limited of even date)**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

### **i. Property, Plant and Equipment and Intangible Assets:**

- a) The Company has maintained fixed assets records showing full particulars and includes quantitative details and situation of its Property, Plant and Equipment and Intangible Assets on the basis of available information in electronic spreadsheet.
- b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, this clause is not applicable to the Company since it does not own any immovable property.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

### **ii. Inventories:**

- a) The Company is in the business of providing software services and does not have any physical inventories. Accordingly, reporting under clause 3 (ii)(a) of the Order is not applicable to the Company.
- b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

### **iii. Loans given by company:**

The Company has not investments in or provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

### **iv. Loans, investments, guarantees and securities as per Section 185 and 186:**

Company has not granted any loan to any director or parties covered under section 185 and in respect of investments, the Company has complied with the provisions of section 186 of the Companies Act, 2013 during the year. No such Guarantee or Security was given during the year.

**v. Acceptance of Deposits:**

According to information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, the provisions of clause 3 (v) of the Order are not applicable to the company.

**vi. Maintenance of Cost records:**

As informed to us, the Central Government has not prescribed the maintenance of cost records under section 148 of the Companies Act 2013 for the business activities carried out by the Company. Thus, reporting under clause 3 (vi) of the order is not applicable to the Company.

**vii. In respect of Statutory Dues:**

- a) According to the records of the Company, Provident Fund, Investor Education and Protection Fund, Employees' State Insurance Fund, Income Tax, Value Added Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, as applicable to it have generally been regularly deposited during the year with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable except for Rs. 59,602/- which is outstanding for more than six months on account of Service -tax, Swachh Bharat Cess and Krishi Kalyan Cess.
- c) Details of dues of Income Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

Nature of the Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs)
The Income Tax Act, 1961	Income tax	Commissioner of Income tax (Appeals)	2016 - 2017	38,85,541

**viii. Undisclosed Income:**

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

**ix. Default in Repayment of loans:**

- a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company.

- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

**x. Utilization of IPO, FPO or Term Loan obtained:**

- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

**xi. Reporting on Fraud:**

- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) On the basis of information received, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

**xii. Nidhi Company:**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**xiii. Related Party Transactions:**

According to the information and explanations given to us, the Company has disclosed all the transactions with related parties during the year in the Standalone financial statements and the same are in accordance with section 177 and 188 of Companies Act, 2013 and as required by the applicable Accounting Standards.

**xiv. Internal Audit :**

In our opinion the provisions of 138 of the Companies Act, 2013 is not applicable to the Company and accordingly provisions of clause 3(xiv) (a) and (b) of the Order are not applicable

**xv. Non cash transactions:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

**xvi. Registration u/s 45IA of RBI Act, 1934:**

- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

**xvii. Cash Loss:**

The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

**xviii. Statutory Auditors:**

There has been no resignation of the statutory auditors of the Company during the year.

**xix. Financial Ratios :**

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

**xx. Corporate Social Responsibility (CSR):**

The Provisions of Section 135 is not applicable to the company is and accordingly reporting under clause 3(xx)(a) and (b) of the Order is not applicable.

**For N J Shetty & Associates**

Chartered Accountants

ICAI Firm Registration No. 140718W



**Nisha Shetty**

Proprietor

ICAI Membership No. 164725

Place: Mumbai

Date: May 19, 2022

Instasafe Technologies Private Limited  
Standalone Balance Sheet as at March 31, 2022

(Rs. in Thousand)

	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I.</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	a) Property, plant and equipment	4	976	683
	b) Capital work-in-progress	4	-	-
	c) Other Intangible Assets	4	47,923	37,612
	d) Financial assets			
	i) Investments	5	175	175
	ii) Other Financial Assets	6	347	347
	e) Deferred tax assets	17	3,744	-
	f) Current Tax Assets	11	1,431	1,431
	<b>Total non-current assets</b>		<b>54,595</b>	<b>40,248</b>
<b>2</b>	<b>Current assets</b>			
	a) Financial assets			
	i) Investments	7	513	496
	ii) Trade receivables	8	17,229	24,171
	iii) Cash and cash equivalents	9	4,596	14,577
	iv) Others financial assets	10	-	17,095
	b) Current tax assets (Net)	11	3,761	1,539
	c) Other current assets	12	1,413	643
	<b>Total current assets</b>		<b>27,512</b>	<b>58,521</b>
	<b>Total Assets</b>		<b>82,108</b>	<b>98,768</b>
<b>II.</b>	<b>EQUITY &amp; LIABILITIES</b>			
<b>1</b>	<b>Equity</b>			
	a) Equity share capital	13	1,212	1,212
	b) Other equity	14	19,348	30,134
	<b>Total equity</b>		<b>20,560</b>	<b>31,346</b>
<b>2</b>	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	a) Financial Liabilities:			
	i) Borrowings	15	14,137	12,750
	b) Provisions	16	2,858	2,289
	c) Deferred tax liabilities (net)	17	-	522
	d) Other non-current liabilities	18	38,629	41,389
			<b>55,625</b>	<b>56,951</b>
	<b>Current liabilities</b>			
	a) Financial Liabilities:			
	i) Trade payables			
	a) Trade payables - outstanding dues to micro and small enterprises	19	-	-
	b) Trade payables - outstanding dues to other than micro and small enterprises	19	81	659
	ii) Other financial liabilities	20	2,244	1,485
	b) Provisions	16	70	57
	c) Other current liabilities	21	3,529	8,270
			<b>5,923</b>	<b>10,471</b>
	<b>Total Equity and Liabilities</b>		<b>82,108</b>	<b>98,768</b>
	Notes 1 to 39 form an integral part of these financial statements			

This is the Balance Sheet referred to in our audit report of even date

For **N J Shetty & Associates**  
Chartered Accountants  
Firm Registration No.140718W

For and on behalf of the Board of Directors  
**InstaSafe Technologies Private Limited**

Sd/-  
**Nisha Shetty**  
Proprietor  
Membership No: 164725

Sd/-  
**Sandip Kumar Panda**  
Director  
DIN: 06395769

Sd/-  
**Prakash Baburao Rane**  
Director  
DIN: 00152393

Place : Mumbai  
Date : May 19, 2022

**Instasafe Technologies Private Limited**  
**Standalone Statement of Profit and Loss for the year ended March 31, 2022**

(Rs. in Thousand)

	Particulars	Notes	For the year ended March 31,	
			2022	2021
<b>1</b>	<b>Income</b>			
	a) Revenue from operations	22	50,373	1,00,842
	b) Other income	23	3,610	3,055
	<b>Total Income</b>		<b>53,983</b>	<b>1,03,896</b>
<b>2</b>	<b>Expenses</b>			
	a) Employee benefits expense	24	29,353	36,079
	b) Finance costs	25	1,387	1,159
	c) Depreciation and amortisation expense	26	12,953	8,940
	d) Other expenses	27	25,505	22,632
	<b>Total expenses</b>		<b>69,198</b>	<b>68,810</b>
<b>3</b>	<b>Profit before exceptional items and tax (1-2)</b>		<b>(15,215)</b>	35,086
<b>4</b>	<b>Exceptional item</b>		-	-
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>(15,215)</b>	35,086
<b>6</b>	<b>Tax expense</b>			
	a) Current tax	-	-	7,690
	b) Deferred tax	17	4,266	16
	<b>Total Tax expense</b>		<b>4,266</b>	<b>7,706</b>
<b>7</b>	<b>Profit for the year from continuing operations (5-6)</b>		<b>(10,949)</b>	27,380
<b>8</b>	<b>Other comprehensive income (OCI)</b>			
	<b>Items that will not to be reclassified to profit or loss</b>			
	Measurements of defined employee benefit plans		164	(164)
	Income tax effect on the above		-	-
	<b>Total Other Comprehensive Income (OCI) net of Tax</b>		<b>164</b>	<b>(164)</b>
<b>9</b>	<b>Total comprehensive income for the year (7+8)</b>		<b>(10,786)</b>	<b>27,216</b>
	<b>Earnings per equity share of Rs. 10 each</b>			
	a) Basic (In Rs.)	34	<b>(89.01)</b>	<b>224.60</b>
	b) Diluted (In Rs.)	34	<b>(56.05)</b>	<b>141.43</b>
	Notes 1 to 39 form an integral part of these financial statements			

This is the Statement of Profit and Loss referred to in our audit report of even date

For **N J Shetty & Associates**  
Chartered Accountants  
Firm Registration No.140718W

For and on behalf of the Board of Directors  
**InstaSafe Technologies Private Limited**

Sd/-  
**Nisha Shetty**  
Proprietor  
Membership No: 164725

Sd/-  
**Sandip Kumar Panda**  
Director  
DIN: 06395769

Sd/-  
**Prakash Baburao Rane**  
Director  
DIN: 00152393

Place : Mumbai  
Date : May 19, 2022



Instasafe Technologies Private Limited  
Standalone Statement of Changes in Equity for the year ended March 31, 2022

**A Equity Share Capital**

(Rs. in Thousand)

Balance as at April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,212	-	1,212	-	1,212

(Rs. in Thousand)

Balance as at April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,212	-	1,212	-	1,212

**B Other Equity**

(Rs. in Thousand)

Particulars	Other Equity			Total
	Reserves and Surplus		Items of other comprehensive income	
	Securities Premium Reserve	Retained Earnings	Actuarial Gain / (Loss)	
<b>As at April 1, 2020</b>	15,379	(12,151)	(310)	2,918
Profit/(Loss) for the Year		27,380		27,380
Remeasurement of defined benefit Plan			(164)	(164)
<b>Balance as at March 31, 2021</b>	<b>15,379</b>	<b>15,229</b>	<b>(474)</b>	<b>30,134</b>
<b>As at April 1, 2021</b>	15,379	15,229	(474)	30,134
Profit/(Loss) for the Year		(10,949)		(10,949)
Remeasurement of defined benefit Plan			164	164
<b>Balance as at March 31, 2022</b>	<b>15,379</b>	<b>4,279</b>	<b>(310)</b>	<b>19,348</b>

Notes 1 to 39 form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

Pursuant to the requirements of Division II to Schedule III, below is the nature and purpose of each reserve:

**Securities premium** - Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

**Retained earnings** - Retained earnings comprises of prior and current year's undistributed earnings after tax.

As per our report attached.

**For N J Shetty & Associates**  
Chartered Accountants  
Firm Registration No.140718W

**For and on behalf of the Board of Directors**  
**InstaSafe Technologies Private Limited**

Sd/-  
**Nisha Shetty**  
Proprietor  
Membership No: 164725

Sd/-  
**Sandip Kumar Panda**  
Director  
DIN: 06395769

Sd/-  
**Prakash Baburao Rane**  
Director  
DIN: 00152393

Place : Mumbai  
Date : May 19, 2022

Instasafe Technologies Private Limited  
Standalone Cash Flow Statement for the year ended March 31, 2022

(Rs. in Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax from continuing operations	(15,215)	35,086
Profit / (Loss) before tax from discontinued operations	-	-
<b>Profit before income tax including discontinued operations</b>	<b>(15,215)</b>	<b>35,086</b>
<b>Non-cash adjustment to profit / (loss) before tax:</b>		
Depreciation	12,953	8,939.54
Interest income	(582)	(237)
Finance cost	1,387	1,159
Fair Valuation Gain on Preference Shares	(2,759)	(2,547)
Liability written back	-	(96)
Debtor Balances written-off	268	36
Gain on investment	-	-
Change in fair value of financial assets measured at fair value through profit or loss	17	(135)
	<b>(3,932)</b>	<b>42,206</b>
<b>Change in operating assets and liabilities :</b>		
Decrease/(increase) in trade receivables	6,571	2,937
Increase/(decrease) in trade payables	(578)	(755)
Decrease/(increase) in loans & other financial assets	17,095	(17,160)
Decrease/(increase) in other current assets	(771)	(112)
Increase/(decrease) in other financial liabilities	758	(3,839)
Increase/(decrease) in other current liabilities	(4,741)	5,601
Increase/(decrease) in non-current provisions	733	523
Increase/(decrease) in current provisions	13	16
<b>Cash from Operations</b>	<b>15,149</b>	<b>29,416</b>
Direct tax paid	(2,222)	(5,767)
<b>Net cash flow generated / (used in) operating activities (A)</b>	<b>12,927</b>	<b>23,650</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(615)	(655)
Payment for software development cost	(22,943)	(16,153)
(Investment in) / Redemption of mutual funds	-	3,500
Interest income	582	237
<b>Net cash from / (used in) investing activity</b>	<b>(22,976)</b>	<b>(13,072)</b>
<b>Cash flow from financing activity</b>		
Increase/(decrease) in financial liabilities - borrowings	1,387	1,159
Increase/(decrease) in fair value of Preference Shares Liability	(2,759)	(2,547)
Fair Valuation Gain on Preference Shares	2,759	2,547
Finance cost	(1,387)	(1,159)
<b>Net cash flow from / (used in) financing activity</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>(9,982)</b>	<b>10,581</b>
<b>Cash &amp; cash equivalents at the beginning of the year</b>	<b>14,577</b>	<b>3,997</b>
<b>Cash &amp; cash equivalents at the end of the year</b>	<b>4,596</b>	<b>14,577</b>
<b>Cash and cash equivalents as per note 9 to the financial statements</b>		
Balance with Bank	4,596	14,577
Cash in hand	-	-
Cheques in hand	-	-
<b>Total</b>	<b>4,596</b>	<b>14,577</b>

As per our report attached.

For N J Shetty & Associates

Chartered Accountants

Firm Registration No.140718W

For and on behalf of the Board of Directors

InstaSafe Technologies Private Limited

Sd/-  
Nisha Shetty  
Proprietor  
Membership No: 164725

Sd/-  
Sandip Kumar Panda  
Director  
DIN: 06395769

Sd/-  
Prakash Baburao Rane  
Director  
DIN: 00152393

Place : Mumbai  
Date : May 19, 2022

## 4. Property, plant and equipment

(Rs. in Thousand)

Particulars	Gross carrying Value					Accumulated depreciation and impairment				Net carrying Value	
	As at 1st April 2021	Additions during the year	Deletions during the year	Transfers	As at 31st March 2022	As at 1st April 2021	Depreciation / amortisation for the year	Deductions or Adjustments	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
<b>Property, plant and equipments:</b>											
Computers	1,466	366	-	-	1,833	839	291	-	1,130	702	627
Office equipment	163	-	-	-	163	107	23	-	130	33	56
Office Furniture	-	249	-	-	249	-	8	-	8	241	-
<b>Total</b>	<b>1,629</b>	<b>615</b>	<b>-</b>	<b>-</b>	<b>2,244</b>	<b>946</b>	<b>322</b>	<b>-</b>	<b>1,268</b>	<b>976</b>	<b>683</b>
<b>Intangible assets:</b>											
Software	55,011	22,943	-	-	77,954	17,399	12,631	-	30,030	47,923	37,612
<b>Grand Total</b>	<b>56,640</b>	<b>23,558</b>	<b>-</b>	<b>-</b>	<b>80,198</b>	<b>18,345</b>	<b>12,953</b>	<b>-</b>	<b>31,298</b>	<b>48,899</b>	<b>38,295</b>
<b>Previous year</b>	<b>39,832</b>	<b>16,808</b>	<b>-</b>	<b>-</b>	<b>56,640</b>	<b>9,405</b>	<b>8,940</b>	<b>-</b>	<b>18,345</b>	<b>38,295</b>	<b>30,427</b>
Capital work-in-progress	-	22,943	-	22,943	-	-	-	-	-	-	-

Particulars	Gross carrying Value					Accumulated depreciation and impairment				Net carrying Value	
	As at 1st April 2020	Additions during the year	Deletions during the year	Transfers	As at 31st March 2021	As at 1st April 2020	Depreciation / amortisation for the year	Deductions or Adjustments	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
<b>Property, plant and equipments:</b>											
Computers	852	614	-	-	1,466	777	62	-	839	627	75
Office equipment	122	41	-	-	163	81	26	-	107	56	41
<b>Total</b>	<b>974</b>	<b>655</b>	<b>-</b>	<b>-</b>	<b>1,629</b>	<b>858</b>	<b>88</b>	<b>-</b>	<b>946</b>	<b>683</b>	<b>116</b>
<b>Intangible assets</b>											
Software	38,858	16,153	-	-	55,011	8,547	8,852	-	17,399	37,612	30,311
<b>Grand Total</b>	<b>39,832</b>	<b>16,808</b>	<b>-</b>	<b>-</b>	<b>56,640</b>	<b>9,405</b>	<b>8,940</b>	<b>-</b>	<b>18,345</b>	<b>38,295</b>	<b>30,427</b>
<b>Previous year</b>	<b>24,631</b>	<b>15,201</b>			<b>39,832</b>	<b>3,314</b>	<b>6,091</b>		<b>9,405</b>	<b>30,427</b>	<b>21,317</b>
Capital work-in-progress	-	16,153	-	16,153	-	-	-	-	-	-	-

## 5 Non-current Investments

(Rs. in Thousand)

Particulars	Face Value	As at March 31			
		2022		2021	
		No	Amount	No	Amount
<b>Investment in equity instruments</b>					
<b>Unquoted</b>					
Investment in Subsidiary at cost Instasafe INC.	\$25	100	175	100	175
<b>Total Non-current Investments</b>			<b>175</b>		<b>175</b>
Aggregate books value of quoted Investments			-		-
Aggregate market value of investments designated at fair value through OCI			-		-
Aggregate amount of unquoted investments			175		175

## 6 Other Financial Assets - Non Current

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Security Deposits</b>		
Unsecured, considered good	347	347
<b>Total non-current loans</b>	<b>347</b>	<b>347</b>

## 7 Current Investments

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Investment in mutual funds</b>		
<b>Quoted</b>		
<b>Investments carried at Fair value through the statement of Profit and Loss :</b>		
Investments in Mutual Funds		
March-22 : 14998.533 units of Canara Robeco Savings Fund - Regular plan - Growth (March 2021 : 14998.533 Units)	513	496
<b>Total Current Investments</b>	<b>513</b>	<b>496</b>
Aggregate books value of quoted investments	513	496
Aggregate market value of investments designated at FVTPL	513	496
Aggregate amount of unquoted investments	-	-

## 8 Trade Receivable

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Trade Receivable</b>		
Trade Receivables - Considered good and secured	-	-
Trade Receivables - Considered good and unsecured	17,229	24,171
Trade Receivables - Doubtful which have significant increase in Credit Risk	-	-
Trade Receivables - Credit Impaired	-	-
<b>Total Trade Receivable</b>	<b>17,229</b>	<b>24,171</b>

## Trade Receivable Ageing March-22

(Rs. in Thousand)

Particulars	As at March 31, 2022					
	Less than 6 months	6 Month - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	12,541	4,472	-	2	214	17,229
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total Trade receivables</b>	<b>12,541</b>	<b>4,472</b>	<b>-</b>	<b>2</b>	<b>214</b>	<b>17,229</b>

## Trade Receivable Ageing March-21

(Rs. in Thousand)

Particulars	As at March 31, 2021					
	Less than 6 months	6 Month - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	23,930	-	-	242	-	24,172
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
Disputed Trade Receivables– considered good	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total Trade receivables</b>	<b>23,930</b>	<b>-</b>	<b>-</b>	<b>242</b>	<b>-</b>	<b>24,172</b>

## 9 Cash and cash equivalents

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Balances with banks in current accounts</b>		
(i) In current accounts	4,596	14,525
(ii) Deposits with original maturity less than 3 months	-	52
<b>Cash on hand</b>	-	-
<b>Total cash and cash equivalents</b>	<b>4,596</b>	<b>14,577</b>

## 10 Other financial assets - Current

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
Accruals - receivables	-	17,095
<b>Total Current loans</b>	<b>-</b>	<b>17,095</b>

## 11 Income Tax Assets (net)

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Current Assets</b>		
Income tax paid	11,451	9,229
Less: - Provision for Income tax	7,690	7,690
<b>Total Current Income Tax Assets (net)</b>	<b>3,761</b>	<b>1,539</b>
<b>Non - Current Assets</b>		
TDS Receivable FY 17-18	391	391
TDS Receivable FY 16-17	1,040	1,040
<b>Total Non Current Income Tax Assets (net)</b>	<b>1,431</b>	<b>1,431</b>

## 12 Other current assets

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
Prepaid expense	1,342	457
Advance to Vendor	71	-
Other Advance	1	186
<b>Total Other current assets</b>	<b>1,413</b>	<b>643</b>

## 15 Borrowing

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
Loan from ABM Knowledgeware Limited - Preference share liability	14,137	12,750
<b>Total Borrowing</b>	<b>14,137</b>	<b>12,750</b>

## 16 Provisions

(Rs. in Thousand)

Particulars	Non current		Current	
	As at March 31,		As at March 31,	
	2022	2021	2022	2021
Provision for Gratuity	2,858	2,289	70	57
<b>Total Provisions</b>	<b>2,858</b>	<b>2,289</b>	<b>70</b>	<b>57</b>

## 17 Deferred Tax Asset/Liability

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Deductible Expenditure</b>		
Expenses allowed on Payment basis	737	590
Tax Losses to be carried forward	4,100	-
	<b>4,837</b>	<b>590</b>
<b>Taxable Temporary Difference</b>		
Depreciation adjustment as per Books and Income Tax	1,093	1,112
	<b>1,093</b>	<b>1,112</b>
<b>Total Deferred Asset/(Liability)</b>	<b>3,744</b>	<b>(522)</b>

## Movement in gross deferred tax liability/asset

Particulars	Opening	Recognised in Profit and Loss	Closing Balance
<b>2021-2022</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
Property Plant Equipment	(1,112)	19	(1,093)
Tax Losses to be carried forward	-	4,100	4,100
Expenses provided but allowable on payment basis	590	147	737
<b>Total</b>	<b>(522)</b>	<b>4,266</b>	<b>3,744</b>
<b>2020-21</b>			
<b>Deferred Tax Liability/Asset in Relation to</b>			
On Property Plant Equipment	(920)	192	(1,112)
Expenses provided but allowable on payment basis	414	(176)	590
<b>Total</b>	<b>(506)</b>	<b>16</b>	<b>(522)</b>

## The Analysis of Deferred tax Asset and Deferred tax Liability

Particulars	As at March 31	
	2022	2021
<b>Deferred Tax Asset</b>		
Deferred Tax Asset to be recovered after more than 12 Month	4,837	590
Deferred Tax Asset to be recovered within 12 Month	-	-
	<b>4,837</b>	<b>590</b>
<b>Deferred Tax Liability</b>		
Deferred Tax Liability to be recovered after more than 12 Month	1,093	1,112
Deferred Tax Liability to be recovered within 12 Month	-	-
	<b>1,093</b>	<b>1,112</b>

## Unrecognised deductible temporary differences, Unused Tax Loss and Unused Tax Credit

Particulars	As at March 31	
	2022	2021
<b>Deductible Temporary differences</b>		
Unused Tax Losses	16,289	-
Unused Tax Credit	-	-
	<b>16,289</b>	<b>-</b>

## 18 Other Non Current liabilities

(Rs. in Thousand)

Particulars	As at March 31	
	2022	2021
Fair valuation liability on preference shares	38,629	41,389
<b>Total Other Non Current liabilities</b>	<b>38,629</b>	<b>41,389</b>

## 19 Trade payables (Rs. in Thousand)

Particular	As at March 31,	
	2022	2021
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	81	659
<b>Total trade payables</b>	<b>81</b>	<b>659</b>

## Trade payables Ageing March-22 (Rs. in Thousand)

Particulars	As at March 31, 2022				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Micro and small enterprises	-	-	-	-	-
Other than micro and small enterprises	81	-	-	-	81
Disputed dues – micro and small enterprises	-	-	-	-	-
Disputed dues – creditors other than micro and small enterprises	-	-	-	-	-
<b>Total Trade payables</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>81</b>

## Trade payables Ageing March-21 (Rs. in Thousand)

Particulars	As at March 31, 2021				
	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
Micro and small enterprises	-	-	-	-	-
Other than micro and small enterprises	659	-	-	-	659
Disputed dues – micro and small enterprises	-	-	-	-	-
Disputed dues – creditors other than micro and small enterprises	-	-	-	-	-
<b>Total Trade payables</b>	<b>659</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>659</b>

## 20 Other financial liabilities (Rs. in Thousand)

Particulars	As at March 31	
	2022	2020
Salary & Employee Benefit Payable	896	773
Liability for expenses	1,348	713
<b>Total Other financial liabilities</b>	<b>2,244</b>	<b>1,485</b>

## 21 Other current liabilities (Rs. in Thousand)

Particulars	As at March 31	
	2022	2021
Statutory Liabilities	2,097	7,659
Advance from Customers	694	38
<b>Unearned Revenue:</b>		
Opening Balance	573	-
Less: Revenue recognised	(573)	-
Add: Contract Liability	738	573
<b>Total Unearned Revenue</b>	<b>738</b>	<b>573</b>
<b>Total Other Current liabilities</b>	<b>3,529</b>	<b>8,270</b>

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## 13 Equity share capital

(Rs. in Thousand)

Particulars	As at March 31		As at March 31	
	2022		2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised share Capital</b>				
(a) Equity shares of Rs. 10/- each with voting rights	1,56,600	1,566	1,56,600	1,566
(b) Compulsory convertible Preference shares of Rs. 170/- each	73,142	12,434	73,142	12,434
	<b>2,29,742</b>	<b>14,000</b>	<b>2,29,742</b>	<b>14,000</b>
<b>Issued, subscribed and fully paid up share capital</b>				
(a) Equity shares of Rs. 10/- each with voting rights	1,21,175	1,212	1,21,175	1,212
(b) Compulsory convertible Preference shares of Rs. 170/- each	-	-	-	-
	<b>1,21,175</b>	<b>1,212</b>	<b>1,21,175</b>	<b>1,212</b>

**Notes:**

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

## Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
Opening Balance	1,21,175	1,212	1,21,175	1,212
Conversion of compulsory convertible preference shares into equity share	-	-	-	-
<b>Closing Balance</b>	<b>1,21,175</b>	<b>1,212</b>	<b>1,21,175</b>	<b>1,212</b>

## (ii) The rights, preferences and restrictions attached to equity shares

The Company has issued one class of shares referred to as equity shares with a par value of Rs. 10/- each. The voting rights on equity shares is restricted to only one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## (iii) Terms of conversion of compulsory convertible preference shares

Preference shares will be converted into such number of fully paid up equity shares as per the terms & conditions set out in Share subscription and share holding agreement (SSSHA) within a period of 20 years from the effective date of SSSHA i.e. 12 May 2017.

## (iv) Disclosure of number of shares held by Holding Company

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares of Rs.10/- each fully paid ABM Knowledgeware Limited	25,225	25,225



## (v) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares of Rs.10/- fully paid up with voting rights</b>				
Sandip Kumar Panda	63,631	52.5%	63,631	52.5%
Biju George	15,151	12.5%	15,151	12.5%
Sunil Kumar Pillai	7,070	5.8%	7,070	5.8%
Prashanth Guruswamy	10,098	8.3%	10,098	8.3%
ABM Knowledgeware Limited	25,225	20.8%	25,225	20.8%

## (vi) Other details of Equity Shares for a period of five years immediately preceding March 31, 2022

Company has allotted 20,175 equity share of Rs.10/- each on 12<sup>th</sup> May 2017 as fully paid up on conversion of compulsory convertible preference shares into equity without payment being received in cash

## (vii) Details of shares held by Promoters

Shares held by promoters	As at March 31, 2022		
	Promoter name	No. of Shares	% of total shares
Sandip Kumar Panda	63,631	52.51%	-
Biju George	15,151	12.50%	-
Prashanth Guruswamy	10,098	8.33%	-
ABM Knowledgeware Limited	25,225	20.82%	-

Shares held by promoters	As at March 31, 2021		
	Promoter name	No. of Shares	% of total shares
Sandip Kumar Panda	63,631	52.51%	-
Biju George	15,151	12.50%	-
Prashanth Guruswamy	10,098	8.33%	-
ABM Knowledgeware Limited	25,225	20.82%	-

## 14 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Securities Premium</b>		
Opening balance	15,379	15,379
Add: Premium received on allotment	-	-
Add: Premium on conversion of compulsory convertible preference shares into equity shares	-	-
<b>Closing balance</b>	<b>15,379</b>	<b>15,379</b>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	14,755	(12,461)
Add: Ind AS 115 Transition Effect	-	-
Less: Profit / (Loss) for the year	(10,786)	27,216
Closing balance	<b>3,969</b>	<b>14,755</b>
<b>Total Other Equity (a) + (b)</b>	<b>19,348</b>	<b>30,134</b>

**22 Revenue From Operations (Rs. in Thousand)**

Particulars	Year ended March 31,	
	2022	2021
Income from sale of products and services	57,696	1,07,248
Less: GST Recovered	7,322	6,406
<b>Total revenue from operations</b>	<b>50,373</b>	<b>1,00,842</b>

**23 Other income (Rs. in Thousand)**

Particulars	Year ended March 31,	
	2022	2021
<b>Income related to financial assets</b>		
Interest on FD	582	237
Interest on income tax refund	-	40
Gain on redemption	-	-
<b>Other non - operating income</b>		
Fair valuation gain on preference shares	2,759	2,547
Fair valuation on financial asset	17	135
Miscellaneous Income	3	96
Gain on foreign currency translation	248	-
<b>Total Other Income</b>	<b>3,610</b>	<b>3,055</b>

**24 Employee benefit expenses (Rs. in Thousand)**

Particulars	Year ended March 31,	
	2022	2021
Salaries and allowances	28,428	35,597
Gratuity	746	881
Staff welfare expenses	179	(399)
<b>Total Employee Benefit Expenses</b>	<b>29,353</b>	<b>36,079</b>

**25 Finance cost (Rs. in Thousand)**

Particulars	Year ended March 31,	
	2022	2021
Interest Expenses on Loan From ABM	1,387	1,159
<b>Total finance cost</b>	<b>1,387</b>	<b>1,159</b>

**26 Depreciation and amortisation expenses (Rs. in Thousand)**

Particulars	Year ended March 31,	
	2022	2021
Depreciation	322	88
Amortisation of Intangible Asset	12,631	8,852
<b>Total depreciation and amortisation expenses</b>	<b>12,953</b>	<b>8,940</b>

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## 27 (i) Other expenses (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Rent	140	695
Rates and taxes	161	237
Communication expenses	558	2,007
Commission	3,101	1,348
Data centre expenses	549	1,185
SMS charges	-	-
Travelling and conveyance	395	418
Purchase/subscription of software	238	31
Printing and stationery	91	59
Sales promotion and marketing expenses	2,355	1,688
Website hosting/Domain renewals	302	173
Legal and professional Fee	15,843	12,082
Bank charges	16	12
Foreign exchange loss/(gain)	-	1,809
Miscellaneous expenses	1,670	801
<b>Total other expenses</b>	<b>25,420</b>	<b>22,547</b>

## 27 (ii) Payment to auditors (Rs. in Thousand)

Particulars	Year ended March 31,	
	2022	2021
Audit of the Company: Statutory & Tax Audit	85	85
<b>Total payment to auditors</b>	<b>85</b>	<b>85</b>

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**28 Contingent liabilities and capital commitments (to the extend not provided for): (Rs. in Thousand)**

Particulars	As at March 31,	
	2022	2021
<b>(i) Contingent Liabilities:</b>		
Claims against the Company, not acknowledged as debts*	3,886	3,886
<b>Capital commitments :</b>		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for	Nil	Nil
Other Commitments	Nil	Nil

\*For Assessment Year 2016 - 2017, the Company has received assessment order u/s 143(3) of the Income Tax Act, dated 18th December 2018, raising a tax demand of Rs. 38,85,541. The Company has already contested the demand at the appropriate Appellate Forum and the Management feels that the outcome of the appeal will be in the company's favour in as much as the grounds on which the additions made to the income are applicable to many start-ups.

**29 Revenue**

Instasafe INC ('Instasafe US') was incorporated in August, 2018 as a wholly owned subsidiary of Instasafe Technologies Private Limited ('Instasafe India'). Instasafe US was engaged mainly as a distributor for sale of software licenses and other products which are developed by Instasafe India.

Any transaction with an associated enterprise which is non-resident and have an bearing on the profits, income, losses or assets of such enterprises, then such transaction are termed as 'international transaction'. Such International transaction entered with the associated enterprise will result into applicability of transfer pricing provisions as per the Income Tax Act, 1961. The transfer pricing provisions requires the transaction between associated enterprises to be at arm's length. The transfer pricing provisions entails computation of Arm's length price through various methods and benchmark analysis, and this price is used for transacting with the associated enterprise.

The Arm's length pricing resulted revenue from operations of Rs. 9618.87 thousand.

**30 Intangible Assets**

During the Financial year 2021-22, an additional amount of Rs. 22,943 thousand has been recognised as an Intangible asset on fulfilment of the recognition criteria during the financial year 2021-22.

The useful life of the intangible asset is estimated to be 5 years and overall amortisation has been worked out accordingly.

**31 Earnings in Foreign Exchange (Rs. in Thousand)**

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Service-as a -Subscription	9,619	71,686

## 32 Employee benefits

## a) Short term employee benefits

All employee benefits falling due within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related services.

## b) Long term employee benefits

## Defined contribution plans

Provident fund:

The company operated defined benefits contribution retirement benefits plans for all qualifying employees.

The total expense recognised in the statement of profit and loss of Rs. 7,93,422

(For the year ended March 31, 2021 : Rs. 3,42,828) represents contributions payable to Provident fund by the Company at rates specified in rules of the plans.

## Movement in plan assets and Plan liabilities:-

(Rs. in Thousand)

Particulars	As at March 31,	
	2022	2021
<b>Amount recognised in the statement of Profit and Loss</b>		
Current service cost	587	427
Finance cost/(income)	159	112
Past service cost	-	-
<b>Total expense recognised in the Statement of profit /loss</b>	<b>747</b>	<b>538</b>
<b>Amount recognised in Other Comprehensive Income (OCI)</b>		
Actuarial (Gain)/Loss recognised for the period	(164)	164
Return on plan assets excluding net interest	-	-
<b>Total actuarial (gain)/loss recognised in Other Comprehensive Income (OCI)</b>	<b>(164)</b>	<b>164</b>

Particulars	As at March 31,	
	2022	2021
<b>Changes in present value of obligation</b>		
Present value of obligation at the beginning	2,346	1,643
Interest cost	159	112
Current service cost	587	427
Past service cost	-	-
Benefits paid	-	-
Actuarial (Gains)/Losses on present value of obligation	(164)	164
<b>Present value of obligation at the end</b>	<b>2,928</b>	<b>2,346</b>
<b>Actuarial assumptions</b>		
<b>Financial assumptions</b>		
Discount rate	7.10%	6.79%
Salary Escalation	5.00%	5.00%
Attrition	2.00%	2.00%
<b>Demographic assumptions</b>		
Mortality rate	IALM (2006-08) Ultimate	IALM (2012-14) Ultimate

c) The defined benefit obligations shall mature after year end 31st March, 2022 as follows:

(Rs. in Thousand)

Year	As at March 31,	
	2022	2021
First year	70	57
Second year	72	61
Third year	83	64
Fourth year	91	72
Fifth year	102	77
Sixth to Ten year	575	535

**Sensitivity analysis:**

Below is the sensitivity analysis determined for significant actuarial assumption for determination of defined obligation and based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period.

(Rs. in Thousand)

Particular	As at March 31,	
	2022	2021
Discount rate increase by 100 basis Points	2,586	2,071
Discount rate decrease by 100 basis Points	3,332	2,669
Salary Escalation rate increase by 100 basis points	3,255	2,620
Salary Escalation rate decrease by 100 basis points	2,587	2,068

**33 Related party transactions**

a) List of related parties and its relationships

<b>Directors</b>	Mr. Sandip Kumar Panda Mr. Devendra Kamlakar Parulekar Mr. Prakash Baburao Rane
<b>Key Management Personnel</b>	Mr. Prashanth Guruswamy Mr. Biju George
<b>Holding Company</b>	ABM Knowledgeware Ltd
<b>Wholly Owned Subsidiary</b>	Instasafe INC

b) Following is the summary of significant transactions with related parties

(Rs. in Thousand)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Remuneration to key management personnel</b>		
Salary to Mr. Sandip Kumar Panda	4,500	5,729
Salary to Mr. Prashanth Guruswamy	3,600	5,149
Salary to Mr. Biju George	3,600	5,037
<b>Incentives paid/payable</b>		
Mr. Sandip Kumar Panda	-	6,400
Mr. Prashanth Guruswamy	-	2,800
Mr. Biju George	-	5,200
<b>Sale of Goods/Services</b>		
Instasafe INC	9,619	71,686

c) The balances receivable from and to payable to related parties are as follows:

	As at March 31, 2022	As at March 31, 2021
Payable to Mr. Sandip Kumar Panda	150	28
Payable to Mr. Prashanth Guruswamy	165	231
Payable to Mr. Biju George	2	29
Receivable from Instasafe Inc	4,284	16,514
	<b>4,601</b>	<b>16,802</b>

#### 34 Earning Per Share

Particulars	March 31, 2022	March 31, 2021
Net Profit After tax(In Rs.)	(10,786)	27,216
Weighted Average number of Equity shares outstanding basic (in thousand)	121	121
Weighted Average number of Equity shares outstanding Diluted (in thousand)	192	192
Earnings per share- Basic (In Rs.) (Face value of Rs. 10/-each)	(89.01)	224.60
Earnings per share- Diluted (In Rs.) (Face value of Rs. 10/-each)	(56.05)	141.43

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**35 Capital management****35.1 Risk management**

The Company's objectives when managing capital are to

- (i) Safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)  
divided by  
Total 'equity' (as shown in the balance sheet, including non-controlling interests).

The Company's strategy is to maintain a gearing ration within 1:1. The gearing ratios were as follows :

	<b>As at March 31,</b>	
	<b>2022</b>	<b>2021</b>
Net debt	14,137	12,750
Total equity	20,560	31,346
<b>Net debt to equity ratio</b>	<b>0.69</b>	<b>0.41</b>

**35.2 Financial Instruments****(i) Method and assumptions used to estimate the fair value**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial as well as non assets and liabilities. 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. A fair value measurement assumes 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. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy Based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:**

Level 1: unadjusted quoted prices in active markets for identical assets and liabilities.

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

Level 3: Unobservable inputs for the asset or liability

**March 31, 2022**

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Long Term Loans	347			347			-
Trade Receivables	17,229			17,229			-
Cash & Cash equivalents	4,596			4,596			-
Short term Loans	1			1			-
Investments	688	513		175	513		-
	<b>22,860</b>	<b>513</b>	<b>-</b>	<b>22,347</b>	<b>513</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
	Carrying Value		Classification	Amortised			
		FVTPL	FVTOCI	Cost	Level 1	Level 2	Level 3
Borrowings	14,137			14,137			-
Trade payables	81			81			-
Other financial liabilities	2,244			2,244			-
	<b>16,462</b>	<b>-</b>	<b>-</b>	<b>16,462</b>	<b>-</b>	<b>-</b>	<b>-</b>



March 31, 2021

Particulars	Carrying Value	Classification			Fair Value		
		FVTPL	FVTOCI	Amortised Cost	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Long Term Loans	347			347			-
Trade Receivables	24,171			24,171			-
Cash & Cash equivalents	14,577			14,577			-
Short term Loans	186			186			-
Investments	672	496		175	496		
	<b>39,952</b>	<b>496</b>	<b>-</b>	<b>39,455</b>	<b>496</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>							
	Carrying Value	FVTPL	FVTPL	Amortised Cost	Level 1	Level 2	Level 3
Borrowings	12,750			12,750			
Trade payables	659			659			-
Other financial liabilities	1,485			1,485			-
	<b>14,894</b>	<b>-</b>	<b>-</b>	<b>14,894</b>	<b>-</b>	<b>-</b>	<b>-</b>

**35.3 Financial Risk Management**

The board of director has overall responsibility for the establishment & oversight of the company's risk management framework. The Company's activities are exposed to various risk viz. Credit Risk, Liquidity Risk and Market Risk. In order to minimise any adverse effects on the financial performance of the Company, it uses various instruments and follows policies set up by the Board of Directors/Management.

**Credit Risk :**

Trade receivables consists of large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

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**36 Balance Confirmations from Debtors and Creditors :**

The balances of Sundry Debtors, Sundry Creditors and loans & advances are subject to confirmation and considered as per records provided before us. During the year, the management has not sent the confirmation letters. In the opinion of the management, no material differences will arise in the balances, However an external confirmations have been sent by the auditors which have not been responded to except for few parties.

**37 Micro and Small Enterprises**

Particulars	For the year ended March 31,	
	2022	2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has 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	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year #	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

# The amount due to each vendor is immaterial as per the management and as such no interest has been provided in the previous period.

For the year, the mail for confirming the MSME status was sent to the suppliers, which have not been responded till signing date.

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38 Additional Disclosure

38(i) Significant Financial Ratios

Ratio	Current Period	Previous Period	% of Variance	Reason for Variance
(a) Current Ratio	4.64	5.59	(16.89)	
(b) Return on Equity Ratio (%)	-42%	154%	(127.33)	Note 1
(c) Trade Receivables turnover ratio	2.43	3.93	(38.13)	Note 2
(d) Net capital turnover ratio	2.33	2.10	11.18	
(e) Net profit ratio (%)	-22%	27%	(180.06)	Note 3
(f) Return on Capital employed (%)	-67%	116%	(158.17)	Note 4
(g) Return on investment (%)	3.42%	2.64%	29.83	Note 5

Note 1: Return on Equity ratio has decreased on account of loss in current year.

Note 2: Trade Receivables turnover ratio has decreased on account of decrease in Sales in current year.

Note 3: Net profit ratio has decreased on account of loss in current year.

Note 4: Return on capital Employed has decreased on account of loss in current year.

Note 5: Return on Investment has increased on account of increase in investment in fixed deposit.

38(ii) There are no immovable property held by the company.

38(iii) The Company has not revalued its Property, Plant and Equipment.

38(iv) No Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties.

38(v) There are no capital work-in-progress and intangible assets under development.

No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the

38(vi) Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

38(vii) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

38(viii) The company has not entered into any transactions with struck off-companies u/s 248 of the Companies Act, 2013

39 Previous years figures have been regrouped/reclassified whenever necessary to correspond with the current years classification/disclosure.

As per our report attached.  
**For N J Shetty & Associates**  
 Chartered Accountants  
 Firm Registration No.140718W

**For and on behalf of the Board of Directors**  
**InstaSafe Technologies Private Limited**

Sd/-  
**Nisha Shetty**  
 Proprietor  
 Membership No: 164725

Sd/-  
**Sandip Kumar Panda**  
 Director  
 DIN: 06395769

Sd/-  
**Prakash Baburao Rane**  
 Director  
 DIN: 00152393

Place : Mumbai  
 Date : May 19, 2022