Digitalagility S. DE R.L. de C.V .

BALANCE SHEET AS AT MARCH 31, 2023

	Notes	As at March 31, 2023 (In ₹ Million)
ASSETS		
Non-current assets		
Deferred tax assets (net)	5.2	0.93
		0.93
Current assets		
Financial assets		
- Trade receivables	6	36.93
- Cash and cash equivalents	7	0.86
Current Tax Assets (net)	8	0.31
		38.10
TOTAL		**39.03**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	4	0.04
Other equity	4	(46.40)
		(46.36)
LIABILITIES		
Non- current liabilities		
Financial liabilities		
Borrowings	9	35.49
		35.49
Current liabilities		
Financial liabilities		
- Trade payables	10	42.28
Other current liabilities	11	7.62
		49.90
TOTAL		**39.03**
Summary of significant accounting policies	1-3	

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date : April 22, 2023

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Abhay Sathe
Director

Place : Mexico
Date : April 22, 2023

Digitalagility S. DE R.L. de C.V .

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD

	Notes	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Income			
Revenue from operations (net)	12	11.28	73.31
Other income	13	-	0.09
Total income (A)		**11.28**	**73.40**
Employee benefits expense	14	2.05	54.71
Finance costs	15	1.53	1.35
Depreciation and amortization expense	5.2	-	0.28
Other expenses	16	20.04	22.47
Total expenses (B)		**23.62**	**78.81**
Profit/ (loss) before tax (A - B)		**(12.33)**	**(5.40)**
Tax expense			
Current tax		(2.76)	-
Deferred tax (credit) / charge		(0.85)	(0.83)
Total tax expense		**(3.61)**	**(0.83)**
Net profit/ (loss) for the period (C)		**(8.73)**	**(4.57)**
Other comprehensive income			
Items that will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations	4	(7.58)	(7.58)
Total other comprehensive income for the period (D) + (E)		**(7.58)**	**(7.58)**
Total comprehensive income for the period (C) + (D) + (E)		**(16.30)**	**(12.15)**
Earnings per equity share	17		
[Nominal value of share MXN 1 (Previous period : Nil)]			
Basic (In ₹)		(872.50)	(457.42)
Diluted (In ₹)		(872.50)	(457.42)
Summary of significant accounting policies	3		

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date : April 22, 2023

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Abhay Sathe
Director

Place : Mexico
Date : April 22, 2023

Digitalagility S. DE R.L. de C.V .

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2023

		For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Cash flow from operating activities		
Profit before tax		**(5.40)**
Adjustments for:		
Foreign currency translation reserve		(7.58)
Depreciation and amortization expense		0.28
Provision for doubtful debts (net)		14.69
Operating profit before working capital changes		**1.99**
Movements in working capital :		
(Increase) / decrease in trade receivables		(31.70)
(Increase) / decrease in other current assets		1.62
Increase /(decrease) in trade payables and current liabilities		5.05
Increase/(decrease) in provisions		(12.07)
Operating profit after working capital changes		**(35.12)**
Direct taxes paid (net of refunds)		(0.41)
Net cash generated from operating activities	**(A)**	**(35.53)**
Cash flow from financing activities		
Proceeds from Long term borrowings		35.49
Net cash generated from financing activities	**(B)**	**35.49**
Net increase in cash and cash equivalents (A + B)		**(0.04)**
Cash and cash equivalents as at beginning of the reporting period/year		0.90
Cash and cash equivalents at the end of the reporting period/year		**0.86**

Components of cash and cash equivalents	**As at March 31, 2023**
Cash on hand	0.05
Balances with banks	
- on savings account	0.81
Cash and cash equivalents as per note 7	**0.86**

Summary of significant accounting policies.

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date : April 22, 2023

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Abhay Sathe
Director

Place : Mexico
Date : April 22, 2023

Digitalagility S. DE R.L. de C.V.

Notes forming part financial statements

1. Nature of operations

Digitalagility S. DE R.L. de C.V.(“The Company”) was incorporated on March 1, 2016 as a wholly owned subsidiary of MediaAgility, Inc (“The holding Company”) The Company has adopted indirect sales model, with services revenue being billed to customers. The Company commenced its operations from April 1, 2016.

2. Basis of preparation

The financial statements for the period ended March 31, 2023 of the Company have been prepared solely for the purpose of consolidation with the holding Company. The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in the previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statement has been prepared solely to enable the Company’s management to provide information for the consolidation with the holding Company and for their internal use.

While preparing this IND-AS financial statements, the Company has presented the following:
a. Balance Sheet as at March 31, 2023
b. Statement of Profit and Loss for the period ended May 05, 2022 to March 31, 2023
c. Statement of Profit and Loss for the period ended January 01, 2023 to March 31, 2023.
c. Statement of Cash Flow for the period then ended May 05, 2022 to March 31, 2023.
d. Statement of Changes in Equity for the period then ended May 05, 2022 to March 31, 2023.
e. Statement of Changes in Equity for the period then ended January 01, 2022 to March 31, 2023
f. Selected explanatory notes

The IND-AS financial statements for the period ended March 31, 2023 of the Company have been prepared solely for the purpose of consolidation with the holding Company. These IND-AS financial statements have been prepared in accordance with the recognition and measurement principle of Ind AS 34, Interim Financial Reporting (Ind AS 34), as issued under Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 (“the Act”) except for presentation and disclosures requirement as required under the standard and the Act.

3. Summary of significant accounting policies

A. Accounting year

The accounting year of the company for consolidation is from May 05, 2022 to March 31, 2023.

B. Functional currency

The Company’s functional currency is Mexican Pesos. To facilitate consolidation in Parent Company, these financial statements are presented in INR, which is the presentation currency. The results and balances are translated from functional currency to presentation currency using the following procedure:

i. All assets and liabilities are translated at the closing rate as at the date of the balance sheet;
ii. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period;
iii. The equity share capital is translated on the date of transaction;
iv. The exchange difference arising out of the year-end conversion is transferred to Currency Translation Reserve are recognized in Other Comprehensive Income and the said amount is shown under the head “Other Equity”.

Notes forming part financial statements

C. Use of estimates

(a) The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(b) Critical accounting estimates

i. Revenue recognition

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

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost-plus margin approach.

ii. Income taxes

The Company's major tax jurisdiction is Mexico. Significant judgements are involved in determining the provision for income taxes.

Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the company will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii. Property, plant and equipment and intangible assets

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

Notes forming part financial statements

D. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

.

All other assets are classified as non-current assets.

A liability is current when:

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

All other liabilities as non-current liabilities.

E. Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its original cost only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

F. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and directly attributable cost of bringing the asset to its working condition for its intended use. Internally generated intangible assets, excluding capitalized development costs are reflected as expenditure in the statement of profit and loss in the reporting year in which these are incurred.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Notes forming part financial statements

G. Depreciation and amortization

Depreciation on property, plant and equipment is provided using the Straight Line Method (‘SLM’) over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the property, plant and equipment as follows:

Assets	Useful lives
Computers	3 years

* For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 7 years from the day the asset is made available for use.

Where cost of a part of the asset (“asset component”) is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation methods, useful lives and residual values are reviewed periodically.

H. Financial instruments

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

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Non-derivative financial instruments

Subsequent measurement

Financial assets

Financial assets at amortized cost

Financial assets that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance income in the statement of profit and loss.

Notes forming part financial statements

Financial assets at fair value through other comprehensive income (FVTOCI)
Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognized in other comprehensive income.

Financial assets at fair value through profit or loss (**FVTPL**)
Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

Financial liabilities at amortised cost
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss if the recognition criteria as per Ind AS 109 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.
Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Investments in subsidiaries
Investment in subsidiaries, associates and joint ventures are carried at cost.

Fair value of financial instruments
In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognizes such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

I Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration The Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which The Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

i. Income from software services

The company derives revenues primarily from IT services comprising of software development and related services and from the licensing of software products.

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

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

Revenue on time-and-material contracts are recognized as and when the related services are performed. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.
The company has applied the principles of IND AS 115 to account for the revenues from these performance obligations.

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

In case of reselling agreements, the revenue is recognized on a net basis i.e amount paid to the vendor for reselling the products or services as reduced by amount collected from customer.

Unbilled revenue (Contract Asset) represents revenue recognized in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue (Contract Liability) represents the billing in respect of contracts for which the revenue is not recognized.
The company collects value added tax (VAT) on behalf of the government and therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

i. Interest

Income from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the statement of profit and loss.

ii. Dividends

Dividend income is recognized when The Company's right to receive dividend is established. Dividend income is included under the head 'Other income' in the statement of profit and loss.

J. Contract balances

Contract assets
A contract asset is the right to consideration in exchange for services or products transferred to the customer. If the Company provides services or transfers products to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to provide services or transfer products to a customer for which the Company has received consideration (or an amount of consideration is due) from the consideration. If the Company receives the consideration from the customer before the Company provides services or transfers products to the customer, a contract liability is recognised for the received consideration that is conditional.

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K. Foreign currency transactions and balances

i. Initial recognition

Foreign currency transactions are recorded in the functional currency, i.e. Mexican Pesos, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are converted using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined.

iii. Settlement

Revenue, expenses denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit or loss for the year in which the transaction is settled.

L. Retirement and other employee benefits

Leave encashment

The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating leave encashment is recognized in the period in which the absences occur.

M. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in Mexico. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Notes forming part financial statements

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

N. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand, bank deposits and short-term deposits with an original maturity of three months or less.

O. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

P. Provisions

A provision is recognized when The Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate of the amount required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of The Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

R. Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

Notes forming part financial statements

S. Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by The Company’s Board of Directors.

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Note 4
A. Share capital

(In ₹ Million)

Balance as at May 05, 2022	Changes in equity share capital during the period	Balance as at March 31, 2023
0.04	-	0.04
0.04	-	0.04

	As at March 31, 2023
Authorised (In No.)	
10,000 Ordinary shares of Mexican Peso 1 each	10,000
	10,000
Issued, subscribed and paid-up (In No.)	
10,000 Ordinary shares of Mexican Peso 1 each	10,000
All shares are held by Holding Company i.e. MediaAgilty Inc.	
	10,000

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2023 No. of Shares	(In ₹ Million)	As at May 05, 2022 No. of Shares
No. of shares at the beginning of the reporting period	10,000	0.04	10,000
Add : additional shares issued during the period	-	-	-
No. of shares at the end of the reporting period	**10,000**	**0.04**	**10,000**

b) Details of shares held by promoters

As at March 31, 2023

	No of shares held at beginning of year	Changes during the year	No of shares at the end of year	% of Total Shares	% Change during the year
Media Agility Inc.	10,000	**-**	**10,000**	**100%**	**-**

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Digitalagility S. DE R.L. de C.V .

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2023

Note 4

B. Other Equity

(In ₹ Million)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at May 5, 2022	**(34.25)**	**-**	**(34.25)**
Net profit/ (loss)for the period	(4.57)	-	(4.57)
Other comprehensive income for the period	-	(7.58)	(7.58)
Balance at March 31, 2023	**(38.82)**	**(7.58)**	**(46.40)**

(In ₹ Million)

Balance at December 31, 2022	**(30.09)**	0.52	**(29.57)**
Net profit/ (loss)for the period	(8.73)	-	(8.73)
Other comprehensive income for the period	-	(8.10)	(8.10)
Balance at March 31, 2023	**(38.82)**	**(7.58)**	**(46.40)**

Nature and purpose of reserves

a) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

The accompanying notes are an integral part of the IND-AS financial statements

As per our report of even date

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Ankit Shah
Partner
Membership No.: 118976

Abhay Sathe
Director

Place: India
Date : April 22, 2023

Place : Mexico
Date : April 22, 2023

5.1 Property, plant and equipment

	(In ₹ Million)
	Computer Equipments
Gross block (At cost)	
As at May 05, 2022	0.31
Effect of foreign currency translation from functional currency to reporting currency	0.07
As at March 31, 2023	0.38
Accumulated depreciation	
As at May 05, 2022	0.06
Charge for the period	0.28
Effect of foreign currency translation from functional currency to reporting currency	(0.06)
As at March 31, 2023	0.38
Net block	
As at May 05, 2022	**0.26**
As at March 31, 2023	**0.00**

5.2. Depreciation and amortization expense

On Property, plant and equipment	0.28

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5.1 Property, plant and equipment

(In ₹ Million)

	Computer Equipments
Gross block (At cost)	
As at December 31, 2022	0.35
Effect of foreign currency translation from functional currency to reporting currency	0.03
As at March 31, 2023	0.38
Accumulated depreciation	
As at December 31, 2022	0.35
Charge for the period	0.00
Effect of foreign currency translation from functional currency to reporting currency	0.03
As at March 31, 2023	0.38
Net block	
As at December 31, 2022	**0.00**
As at March 31, 2023	**0.00**

5.2. Depreciation and amortization expense

On Property, plant and equipment	0.00

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5.2 Deferred tax asset (net)

	As at March 31, 2023 (In ₹ Million)
Deferred tax assets	
Others	0.93
	0.93
Deferred tax liabilities	
Others	**0.00**
	0.00
Deferred tax asset (net)	**0.93**

6. Trade receivables

	As at March 31, 2023 (In ₹ Million)
Others	
Unsecured, considered good	36.93
Unsecured, credit impaired	16.48
	53.41
Less : Allowance for credit loss	(16.48)
	36.93

Refer trade receivables ageing note 23

7. Cash and cash equivalents

	As at March 31, 2023 (In ₹ Million)
Cash and cash equivalents as presented in cash flow statement	
Cash on hand	0.05
Balances with banks	
On savings accounts	0.81
	0.86

8. Current tax asset (net)

	As at March 31, 2023 (In ₹ Million)
Advance tax (net)	0.31
	0.31

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9. Non current financial liabilities

	As at March 31, 2023 (In ₹ Million)
Loan from related parties (Unsecured, considered good)	
MediaAgility, Inc	35.49
	35.49

10. Trade payables

	As at March 31, 2023 (In ₹ Million)
Trade payables for goods and services	42.28
	42.28

Refer trade payables ageing note 24

11. Other current liabilities

	As at March 31, 2023 (In ₹ Million)
Statutory dues	
Vat payable	7.37
IVA payable	0.25
	7.62

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12. Revenue from operations

	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Sale of software services	1.88	37.64
Sale of software licenses	9.40	35.67
	11.28	**73.31**

The table below presents disaggregated revenues from contracts with customers by segments and timing. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Revenue by industry segments		
Technology Companies and Emerging Verticals	11.28	73.31
Total	**11.28**	**73.31**
Timing of revenue recognition		
At point of time	-	-
Over a period of time	11.28	73.31
Total	**11.28**	**73.31**

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13. Other income

	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Other non-operating income		
Foreign exchange gain (net)	-	0.09
	-	**0.09**

14. Employee benefit expenses

	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Salaries, wages and bonus	2.05	54.71
	2.05	**54.71**

15. Finance costs

	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Interest expense	1.53	1.35
	1.53	**1.35**

16. Other expenses

	For the period `January 01, 2023 to March 31, 2023 (In ₹ Million)	For the period May 05, 2022 to March 31, 2023 (In ₹ Million)
Provision for Doubtful Debts	14.69	14.69
Legal & professional fees	1.92	1.65
Subscription expenses	2.12	2.13
Insurance	0.48	1.53
Rent	0.02	0.92
Office expenses	0.01	0.12
Miscellaneous expenses	0.80	1.43
	20.04	**22.47**

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17. Earnings per share

		For the period `January 01, 2023 to March 31, 2023	For the period May 05, 2022 to March 31, 2023
Numerator for Basic and Diluted EPS			
Net Profit/ (loss) after tax (In ₹ Millions)	(A)	(8.73)	(4.57)
Weighted average number of equity shares	(B)	10,000	10,000
Denominator for Diluted EPS			
Number of equity shares	(C)	10,000	10,000
Basic Earnings per share of face value of MXN 1 each (In ₹)	(A/B)	(872.50)	(457.42)
Diluted Earnings per share of face value of MXN 1 each (In ₹)	(A/C)	(872.50)	(457.42)

18. Income taxes

The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the period May 05, 2022 to March 31, 2023 In ₹ million
Profit before tax	(5.40)
Enacted tax rate in India	30.00%
Computed tax expense at enacted tax rate	(1.62)
Tax effect of adjustments to reconcile	
Others (Net)	0.80
Income tax expense	**(0.82)**

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19. Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets/ Financial liabilities	March 31, 2023			
	FVTPL	FVTOCI	Amortised Cost	Cost
Financial Assets:				
Cash and cash equivalents	-	-	0.86	-
Trade receivables (net)	-	-	36.93	-
Total Financial Assets	**-**	**-**	**37.79**	**-**
Financial Liabilities:				
Trade payables	-	-	42.28	
Borrowings (including accrued interest)	-	-	35.49	
Total Financial Liabilities	**-**	**-**	**77.77**	**-**

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

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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20. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary financial risk to the Company is credit risk.The Company's exposure to credit risk is mainly for receivables that are overdue for more than 180 days.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result in interest rate risk and exchange rate risk. Financial instruments affected by market risk include receivables, payables and other financial instruments.

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2023.

(In ₹ million)

	USD	Other currencies	Total
Trade receivables	9.89	43.52	53.41
Cash and cash equivalents and bank balances	0.0066	0.85	0.86
Borrowings	-	35.49	35.49
Trade and other payables	19.19	23.09	42.28

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 53.41 million as at March 31, 2023 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the Mexico . On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the management to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at March 31, 2023
Receivables overdue for more than 180 days (₹ million)*	16.79
Total receivables (gross) (₹ million)	53.41
Overdue for more than 180 days as a % of total receivables	31.4%

* Out of this amount, ₹ 16.48 million have been provided for.

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20. Financial risk management

Ageing of trade receivables

(In ₹ million)

	As at March 31, 2023
Within the credit period	
1 to 30 days past due	22.42
31 to 60 days past due	0.57
61 to 90 days past due	9.07
91 to 120 days past due	0
121 and above past due	21.35
Less: Expected credit loss	(16.48)
Net trade receivables	**36.94**

Movement in expected credit loss allowance

(In ₹ million)

	As at March 31, 2023
Opening balance	-
Movement in expected credit loss allowance	14.69
Translation differences	1.78
Closing balance	**16.48**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived. As at March 31, 2023, the Company had a working capital of ₹ (11.80) million including cash and cash equivalents of ₹ 0.86 million.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In ₹ million)

	As at March 31, 2023	
	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	35.49	-
Trade payables and deferred payment liabilities	42.14	0.15

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21. Un-hedged foreign currency exposures

(ii) Details of un-hedged foreign currency exposures at the end of the year:

	As at March 31, 2023		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Trade and other payables	19.19	USD 0.23	82.17
Trade receivables	9.89	USD 0.12	82.17

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22. Related party disclosures

(i) Names of related parties and related party relationship

Related parties with whom transactions have taken place	
Ultimate Holding Company	Persistent Systems limited
Holding Company	MediaAgility Inc. USA
Fellow subsidiaries	Mediaagility UK Ltd., UK Mediaagility Pte Ltd., Singapore
Key Managerial personnel	Abhay Sathe

(ii) Related party transactions

(In ₹Million)

	Name of the related party and nature of relationship	For the year ended March 31, 2023
Inter company sale	**Fellow subsidiaries**	
	Persistent Systems Inc	0.64
	Holding Company	
	MediaAgility Inc. USA	38.96
Intercompany S&M services - Expenses	**Fellow subsidiaries**	
	Persistent Systems Mexico, S.A. de C.V	0.72
Intercompany Borrowings	**Holding Company**	
	MediaAgility Inc. USA	31.22
	Fellow subsidiaries	
	Persistent Systems Mexico, S.A. de C.V	9.38
Interest on Intercompany Borrowings	**Holding Company**	
	MediaAgility Inc. USA	1.35
	Fellow subsidiaries	
	Persistent Systems Mexico, S.A. de C.V	0.17

(iii) Outstanding balances

(In ₹Million)

	Name of the related party and nature of relationship	For the year ended March 31, 2023
Trade receivables	**Fellow subsidiaries**	
	Persistent Systems Inc	0.64
Trade Payables	**Fellow subsidiaries**	
	Persistent Systems Mexico, S.A. de C.V	0.72
Borrowings	**Holding Company**	
	Mediaagility Inc.	35.49

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Ageing

23. Trade receivables Ageing Schedule **(In ₹ Million)**

	Outstanding as on March 31, 2023 from the due date						
Particulars	**Current but not due**	**Less than 6 Months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables							
- considered good	-	36.62	0.32		-	-	36.94
- significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	4.15	12.33	-	-	16.48
Disputed Trade receivables							-
- considered good	-	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Total	**-**	**36.62**	**4.47**	**12.33**	**-**	**-**	**53.41**

24. Trade payable ageing schedule

(In ₹ Million)

	Outstanding as on March 31, 2023 from the due date					
Particulars	**Not due**	**Less than 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Micro enterprises and small enterprises	-	-	-	-	-	-
Others	0.72	41.41	0.15	-	-	42.28
Disputed dues-micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues-others	-	-	-	-	-	-
Total	**0.72**	**41.41**	**0.15**	**-**	**-**	**42.28**

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25 Financial Ratios

Ratio	Denomination	Numerator	Denominator	As at March 31, 2023
Current Ratio	Number	Current Assets	Current Liabilties	0.76
Debt-Equity Ratio	Number	Total debt	Shareholder's Equity	(1.84)
Return on Equity Ratio	Number	PAT	Average Shareholder's Equity	0.10
Trade Receivable Turnover Ratio	Number	Sales (net)	Average trade receivables	2.58
Trade Payable Turnover Ratio	Number	Purchases, net	Average trade payables	NA
Net Capital Turnover Ratio	Number	Sales (net)	Working Capital	(6.21)
Net Profit Ratio	Number	PAT	Sales (net)	(0.06)

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26 Auditor's Remuneration

	For the year ended March 31, 2023 In ₹ Million
As auditor:	
- Audit fee	0.20
	0.20

27 Details of dues to micro and small enterprises as defined under MSMED Act, 2006

As per the information available and explanations provided to us and certified by the management, there are no amounts due to any Micro, Small and Medium Enterprises which are outstanding for more than 45 days together with interest at the balance sheet date as defined under the Micro, Small and Medium Enterprise Development Act, 2006

28 Capital and other commitments

The Company does not have any Capital and other commitments for the period ended March 31, 2023.

29 Contingent liabilities

The Company does not have any Contingent liabilites for the period ended March 31, 2023.

30 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

31 The company has no relation with the struck off companies(as defined in companies act) during the financial year.

32 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

33 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

34 The Company has not advanced or given loans or invested funds to any other person(s) or entity(ies), including foreign entities
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

35 The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

36 The Company has not entered into any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

37 This being the first year of acqusition, the accounts have been prepared for a period commencing from May 05, 2022 (date of acquisition) to March 31, 2023 and there are no corresponding previous year's figures.

38 The financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

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Partner
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