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

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2022

	Notes	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
ASSETS			
Non-current assets			
Property, plant and equipment	5	0.23	0.26
Current assets			
Financial assets			
- Trade receivables	6	46.35	19.92
- Cash and cash equivalents	7	2.02	0.90
- Other financial assets	8	0.71	-
Other current assets	9	9.23	1.65
Advance income tax	10	-	0.90
		58.31	**23.37**
TOTAL		**58.54**	**23.63**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	0.04	0.04
Other equity		(32.39)	(34.25)
		(32.35)	**(34.21)**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
Borrowings	11	32.32	-
		32.32	
Current liabilities			
Financial liabilities			
- Trade payables	12	27.03	40.09
Other current liabilities	13	29.77	17.75
Current tax liability	10	1.77	-
		58.57	**57.84**
TOTAL		**58.54**	**23.63**
Summary of significant accounting policies	1-3		

The accompanying notes are an integral part of the condensed 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: Pune
Date : October 17, 2022

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

abhay sathe
abhay sathe (Oct 17, 2022 11:00 CDT)

Abhay Sathe
Director

Place : Mexico
Date : October 17, 2022

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

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED JULY 01, 2022 TO SEPTEMBER 30, 2022

	Notes	For the period ended July 01, 2022 to September 30, 2022 (In ₹ Million)	For the period ended May 05, 2022 to September 30, 2022 (In ₹ Million)
Income			
Revenue from operations	14	33.53	41.57
Other income	15	0.09	0.09
Total income (A)		**33.62**	**41.66**
Employee benefits expense	16	20.54	32.71
Depreciation and amortization expense	5.2	0.05	0.05
Other expenses	17	0.60	2.06
Total expenses (B)		**21.19**	**34.82**
Profit/ (loss) before tax (A - B)		**12.43**	**6.84**
Tax expense			
Current tax		2.62	2.62
Deferred tax (credit) / charge		1.48	0.02
Total tax expense		**4.10**	**2.64**
Net profit/ (loss) for the period (C)		**8.33**	**4.20**
Other comprehensive income			
Items that will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations	4	(1.04)	(2.35)
Total other comprehensive income for the period (D) + (E)		**(1.04)**	**(2.35)**
Total comprehensive income for the period (C) + (D) + (E)		**7.29**	**1.85**
Earnings per equity share	18		
[Nominal value of share MXN 1 (Previous period : Nil)]			
Basic (In ₹)		833.34	419.66
Diluted (In ₹)		833.34	419.66
Summary of significant accounting policies	3		

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

As per our report of even date

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

Ankit Shah
Partner
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abhay sathe
abhay sathe (Oct 17, 2022 11:00 CDT)

Abhay Sathe
Director

Place : Mexico
Date : October 17, 2022

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

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED JULY 01 TO SEPTEMBER 30, 2022

		For the period ended July 01, 2022 to September 30, 2022 (In ₹ Million)
Cash flow from operating activities		
Profit before tax		**12.43**
Adjustments for:		
Foreign currency translation reserve		(1.01)
Operating profit before working capital changes		**11.42**
Movements in working capital :		
(Increase) / decrease in trade receivables		(13.78)
(Increase) / decrease in other current assets		(7.31)
Increase /(decrease) in trade payables and current liabilities (including short term borrowings)		(13.46)
Increase/(decrease) in provisions		(8.82)
Operating profit after working capital changes		**(31.95)**
Direct taxes paid (net of refunds)		(0.93)
Net cash generated from operating activities	**(A)**	**(32.88)**
Cash flow from investing activities		
Foreign exchange rate difference		0.04
Net cash (used in) investing activities	**(B)**	**0.04**
Cash flow from financing activities		
Proceeds from other short-term borrowings		32.32
Net cash generated from financing activities	**(C)**	**32.32**
Net increase in cash and cash equivalents (A + B + C)		**(0.52)**
Cash and cash equivalents as at beginning of the reporting period/year		2.53
Cash and cash equivalents at the end of the reporting period/year		**2.02**

Components of cash and cash equivalents	**As at September 30, 2022 (Audited)**
Cash on hand	0.04
Balances with banks	
- on savings account	1.98
Cash and cash equivalents as per note 7	**2.02**

Summary of significant accounting policies.

The accompanying notes are an integral part of the condensed 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: Pune
Date : October 17, 2022

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

abhay sathe
abhay sathe (Oct 17, 2022 11:00 CDT)

Abhay Sathe
Director

Place : Mexico
Date : October 17, 2022

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JULY 01 TO SEPTEMB

A. Equity Share Capital (Refer Note 4)

(In ₹ Million)

Balance as at May 05, 2022	Changes in equity share capital during the period	Balance as at June 30, 2022
0.04	-	0.04
0.04	**-**	**0.04**

(In ₹ Million)

Balance as at June 30, 2022	Changes in equity share capital during the period	Balance as at September 30, 2022
0.04	-	0.04
0.04	**-**	**0.04**

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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED JULY 01 TO SEPTEMBER 30, 2022

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 for the period	(4.14)	-	(4.14)
Other comprehensive income for the period	-	(1.31)	(1.31)
Balance at June 30, 2022	**(38.39)**	**(1.31)**	**(39.70)**

(In ₹ Million)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance at June 30, 2022	(38.39)	(1.31)	(39.70)
Net profit for the period	8.33	-	8.33
Other comprehensive income for the period	-	(1.04)	(1.04)
Balance at September 30, 2022	**(30.06)**	**(2.35)**	**(32.39)**

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 condensed 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: Pune
Date : October 17, 2022

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

abhay sathe
abhay sathe (Oct 17, 2022 11:00 CDT)

Abhay Sathe
Director

Place : Mexico
Date : October 17, 2022

1. Nature of operations

Digitalagility, S. DE R.L. de C.V. was incorporated on March 1, 2016 as a wholly owned subsidiary of MediaAgilty Inc. 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 of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the period and are consistent with those used in 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.

Statement of compliance

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting for the period ended July 01, 2022 to September 30, 2022 as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3. Summary of significant accounting policies

(a) Use of estimates

The preparation of the financial statements are in conformity with the recognition and measurement principles of Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Estimation of uncertainties relating to the global health pandemic, COVID-19:
The Company has evaluated the likely impact of COVID–19 on the overall business of the Company. The Company as at the date of the approval of these financials, has used various available sources of information to analyses the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company's condensed interim financial statements may differ from the estimate as on the date of the approval of the condensed interim financial statements.

Expected credit loss:
The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic, COVID -19 using the forward looking approach prescribed by Ind AS 109.

Impact on revenue:
The Company continues to re-evaluate the probable revenues from customers in various verticals to assess any possible drops in revenue from any of these verticals due to the economic stress caused by COVID – 19. Accordingly, it is the opinion of the Company that the customers could re-prioritise their discretionary spend in the immediate future to conserve resources.
The impact assessment of COVID – 19 is a continuing process given the uncertainties associated with its nature and duration. The Company has considered the same to the extent known currently and has taken steps to measure the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays and costs in meeting its obligations.

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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.

In respect of the contracts where the transaction price is payable as royalty at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Company is required to use its judgement to ascertain the income from royalty on the basis of historical trends of customer revenue.

ii. Income taxes

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

(b) Accounting year

The accounting year of the Company is from April 01 to March 31. These financial statements have been prepared only for the purpose of consolidation.

(c) Functional currency

The Company's functional currency is Mexican Peso.

(d) 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. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value 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.

(e) 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 any directly attributable cost of bringing the asset to its working condition for its intended use.
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 disposed.

(f) 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 internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

Leasehold land is amortized on straight line basis over the period of the lease. Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

Intangible assets are amortized on a straight line basis over their estimated useful lives commencing from the day the asset is made available for use.

(g) Financial instruments

i) Financial assets

Initial recognition and measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as:

- **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.

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

  Derecognition

  The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

  On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss.

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ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement

For the purpose of subsequent measurement, financial liabilities are classified as:

- **Financial liabilities at amortized cost**

  Financial liabilities such as loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. The change in measurements are recognized as finance costs in the statement of profit and loss.

- **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 as at fair value through profit or loss if the recognition criteria as per Ind AS 109 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 at FVTPL.

  Derecognition

  The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

iii) Impairment

i) 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.

ii) Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial period / year end even if there is no indication that the asset is impaired.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Company. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Income from sale of software services and products

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 under Ind AS 115 to account for 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.

Revenue from royalty is recognized in accordance with the terms of the relevant agreements.

In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses.

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

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

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized.

The Company collects value added taxes (VAT) on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head ‘Other income’ in the statement of profit and loss.

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(i) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

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

Conversion

The transactions are in MXN, which are converted for reporting in Indian currency on the following basis. The equity share capital is translated on the date of transaction and fixed assets are translated at the closing rate as at the date of the balance sheet. All current assets and current liabilities are translated at the closing rate as at the date of the balance sheet. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head “Other equity”.

Exchange difference

Revenue and 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 period in which the transaction is settled.

Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to Property, Plant and Equipment acquisition are recognized as income or expenses in the period in which they arise.

(j) 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 the 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.

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.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.
The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.
The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.
The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.
The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.
Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(k) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / 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 period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.
The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(l) 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 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.

(m) 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.

(n) Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

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NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

4. Share capital

	As at September 30, 2022	As at May 05, 2022
Authorised (In No.)		
10,000 Ordinary shares of Mexican Peso 1 each	10,000	10,000
	10,000	**10,000**
Issued, subscribed and paid-up (In No.)		
10,000 Ordinary shares of Mexican Peso 1 each	10,000	10,000
All shares are held by Holding Company i.e. MediaAgilty Inc.		
	10,000	**10,000**

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

	As at September 30, 2022		As at May 05, 2022	
	No. of Shares	(In ₹ Million)	No. of Shares	(In ₹ Million)
No. of shares at the beginning of the reporting period	10,000	0.04	10,000	0.04
Add : additional shares issued during the period	-	-	-	-
No. of shares at the end of the reporting period	**10,000**	**0.04**	**10,000**	**0.04**

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

NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

5.1 Property, plant and equipment

(In ₹ Million)

	Computer Equipments	Total
Gross block (At cost)		
As at May 05, 2022	0.31	0.31
Effect of foreign currency translation from functional currency to reporting currency	0.01	0.01
As at June 30, 2022	**0.33**	**0.33**
Accumulated depreciation		
As at May 05, 2022	0.06	0.06
Effect of foreign currency translation from functional currency to reporting currency	(0.00)	(0.00)
As at June 30, 2022	**0.05**	**0.05**
Net block		
As at May 05, 2022	**0.26**	**0.26**
As at June 30, 2022	**0.27**	**0.23**

(In ₹ Million)

	Computer Equipments	Total
Gross block (At cost)		
As at June 30, 2022	0.33	0.33
Effect of foreign currency translation from functional currency to reporting currency	0.01	0.01
As at September 30, 2022	**0.34**	**0.34**
Accumulated depreciation		
As at June 30, 2022	0.06	0.06
Charge for the period	0.05	0.05
Effect of foreign currency translation from functional currency to reporting currency	0.00	0.00
As at September 30, 2022	**0.11**	**0.11**
Net block		
As at June 30, 2022	**0.27**	**0.27**
As at September 30, 2022	**0.23**	**0.23**

5.2 Depreciation and amortization expense

(In ₹ Million)

	For the period ended July 01, 2022 to September 30, 2022
On Property, plant and equipment	0.05
	0.05

(In ₹ Million)

	For the period ended May 05, 2022 to September 30, 2022
On Property, plant and equipment	0.05
	0.05

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

NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

5. Deferred tax asset (net)

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Deferred tax assets		
Others	-	-
Deferred tax liabilities		
Others	-	-
Deferred tax asset (net)	**-**	**-**

6. Trade receivables

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Others		
Unsecured, considered good	46.35	19.92
Unsecured, credit impaired	-	
	46.35	**19.92**
Less : Allowance for credit loss	-	-
	46.35	**19.92**

7. Cash and cash equivalents

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	0.04	0.04
Balances with banks		
On savings accounts	1.98	0.86
	2.02	**0.90**

8. Other financial assets

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Unbiled revenue	0.71	-
	0.71	**-**

9. Other Loans and Advances

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Prepaid expenses	9.23	1.65
	9.23	**1.65**

10. Current tax (net)

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Current tax liability (net)	1.77	-
Advance tax (net)	-	0.90
	1.77	**0.90**

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Digitalagility S. DE R.L. de C.V .
NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

11. Non current financial liabilities

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Loan from related parties (Unsecured, considered good)		
MediaAgility, Inc	32.32	-
	32.32	**-**

12. Trade payables

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Total outstanding dues of creditors other than micro enterprises and small enterprises	27.03	40.09
	27.03	**40.09**

13. Other current liabilities

	As at September 30, 2022 (In ₹ Million)	As at May 05, 2022 (In ₹ Million)
Unearned revenue	4.39	-
Statutory dues		
Vat payable	5.83	3.40
IVA payable	2.36	1.36
Employee benefits payable	4.86	0.91
Provision for expenses	12.33	12.07
	29.77	**17.75**

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14. Revenue from operations

	For the period ended July 01, 2022 to September 30, 2022 (In ₹ Million)	For the period ended May 05, 2022 to September 30, 2022 (In ₹ Million)
Sale of software services	16.30	20.24
Sale of software licenses	17.23	21.33
	33.53	**41.57**

15. Other income

	For the period ended July 01, 2022 to September 30, 2022 (In ₹ Million)	For the period ended May 05, 2022 to September 30, 2022 (In ₹ Million)
Other non-operating income		
Foreign exchange gain (net)	0.09	0.09
	0.09	**0.09**

16. Employee benefit expenses

	For the period ended July 01, 2022 to September 30, 2022 (In ₹ Million)	For the period ended May 05, 2022 to September 30, 2022 (In ₹ Million)
Salaries, wages and bonus	20.54	32.71
	20.54	**32.71**

17. Other expenses

	For the period ended July 01, 2022 to September 30, 2022 (In ₹ Million)	For the period ended May 05, 2022 to September 30, 2022 (In ₹ Million)
Insurance	0.03	0.40
Legal & professional fees	0.10	0.69
Rent	0.18	0.34
Office expenses	-	0.11
Subscription expenses	-	0.01
Miscellaneous expenses	0.29	0.50
	0.60	**2.06**

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18. Earnings per share

		For the period ended July 01, 2022 to September 30, 2022	For the period ended May 05, 2022 to September 30, 2022
Numerator for Basic and Diluted EPS			
Net Profit/ (loss) after tax (In ₹ Millions)	(A)	8.33	4.20
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)	833.34	419.66
Diluted Earnings per share of face value of MXN 1 each (In ₹)	(A/C)	833.34	419.66

19. Contingent Liabilites

The Company does not have any contingent liability as on September 30, 2022 (Previous period: Nil).

20. Corresponding period's comparatives

The comparative period's figures have been regrouped where necessary to confirm to this period's classification.

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: Pune
Date : October 17, 2022

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

abhay sathe
abhay sathe (Oct 17, 2022 11:00 CDT)

Abhay Sathe
Director

Place : Mexico
Date : October 17, 2022

. (Oct 17, 2022 21:02 GMT+5.5)