

Independent Auditor's Report

To the Members of Quest Informatics Private Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.30 to the financial statements, which more fully explains the effect of the prior period errors pertaining to recognition, measurement, and classification of certain items on the financial statements for the year ended March 31, 2023. As explained in the said note, management has presented comparative information as at and for the year ended 31 March 2023 which has been restated and a third balance sheet as at 1 April 2022 has been presented by the management in accordance with the requirement of applicable Ind ASs and Division II of Schedule III to the Companies Act, 2013.

Our opinion is not modified in respect of this matter.

Other Information

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

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

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

Registered Office:

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Quest Informatics Private Limited

based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report (Continued)

Quest Informatics Private Limited

or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The financial statements of the Company for the year ended 31 March 2023 and 31 March 2022 (from which balance sheet as at 01 April 2022 has been derived), excluding the adjustments described in Note 2.30 of the financial statements, were audited by the predecessor auditor who expressed an unmodified opinion on those financial statements in their audit reports dated 18 May 2023 and 27 September 2022, respectively.

As part of our audit of the financial statements as at and for the year ended 31 March 2024, we audited the adjustments described in Note 2.30 that were applied to restate the corresponding figures presented as at and for year ended 31 March 2023 and the balance sheet as at 1 April 2022. We were not engaged to audit, review or apply any procedures to the financial statements for the year ended 31 March 2023 or 31 March 2022 (not presented herein) or to the balance sheet as at 1 April 2022, other than with respect to the adjustments described in Note 2.30 to the financial statements. Accordingly, we do not express any opinion or any other form of assurance on those respective financial statements taken as whole. However, in our opinion, the adjustment described in Note 2.30 are appropriate and have been properly applied.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from directors as on 31 March 2024 and 01 April 2024 taken on record by the Board of Directors, none of the director is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the act and

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paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.31 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 2.31 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The Company has neither declared nor paid any dividend during the year.
 - f. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of accounts which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares except matters below which are managed only by service provider:
 - i. audit trail was not enabled at the database level for accounting softwares to log any direct data changes,
 - ii. certain privileged access at application layer for which audit trail was not enabled.

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

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Quest Informatics Private Limited

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act: In our opinion and according to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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

Prince Sharma

Partner

Place: Gurugram

Date: 26 July 2024

Membership No.: 521307

ICAI UDIN:24521307BKFLLA9098

Annexure A to the Independent Auditor's Report on the Financial Statements of Quest Informatics Private Limited for the year ended 31 March 2024

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company does not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in three years. In accordance with this programme, property, plant and equipment were verified during the financial year ended 31 March 2022. In our opinion, periodicity of physical verification is reasonable having regard to the size of Company and nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering software development, engineering services and IT enabled services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and

Annexure A to the Independent Auditor's Report on the Financial Statements of Quest Informatics Private Limited for the year ended 31 March 2024 (Continued)

Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, except Income tax in respect of which there has been delay in depositing the sum due from September'23 to March'24 and the amount involved is INR 54,979 hundreds which has been subsequently paid along with interest due thereon.

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

Name of the statute	Nature of the dues	Amount in hundreds (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Income-Tax Act, 1961	Advance tax	10,991	July to September	15 September 2023	-	-

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

Annexure A to the Independent Auditor's Report on the Financial Statements of Quest Informatics Private Limited for the year ended 31 March 2024 (Continued)

- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any securities in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31st March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) According to information and explanation given to us during the course of audit, the group does not have any CIC. Accordingly, the requirement of clause 3(xvi)(d) are not applicable.

Annexure A to the Independent Auditor's Report on the Financial Statements of Quest Informatics Private Limited for the year ended 31 March 2024 (Continued)

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditors during the year and we have duly taken into consideration the issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Prince Sharma

Partner

Place: Gurugram

Date: 26 July 2024

Membership No.: 521307

ICAI UDIN:24521307BKFLLA9098

Annexure B to the Independent Auditor's Report on the financial statements of Quest Informatics Private Limited for the year ended 31 March 2024

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

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

Opinion

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

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

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

Annexure B to the Independent Auditor's Report on the financial statements of Quest Informatics Private Limited for the year ended 31 March 2024 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Prince Sharma

Partner

Place: Gurugram

Date: 26 July 2024

Membership No.: 521307

ICAI UDIN:24521307BKFLLA9098

Quest Informatics Private Limited

Financial Statements

For the years ended 31 March 2024, 31 March 2023(restated)
and 1 April 2022(restated)

Quest Informatics Private Limited**Balance Sheet**

(All amounts in hundred of ₹ except share data and as stated otherwise)

	Note No.	As at 31 March 2024	As at 31 March 2023 (Restated - Refer note 2.30)	As at 1 April 2022 (Restated - Refer note 2.30)
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	2.1	157,124	197,807	39,508
(b) Capital work in progress		-	-	210,061
(c) Financial assets				
(i) Investments	2.2	140,576	184,529	372,478
(ii) Others	2.3	25,828	24,000	24,226
(d) Deferred tax assets (net)	2.19	-	12,798	-
(e) Other non-current assets	2.4	99	159	-
Total non-current assets		323,627	419,293	646,273
(2) Current assets				
(a) Financial Assets				
(i) Investments	2.2	2,158,760	1,703,062	-
(ii) Trade receivables				
Billed	2.5	495,373	602,691	381,578
Unbilled		527,128	57,914	62,075
(iii) Cash and cash equivalents	2.6 (a)	312,544	307,094	1,560,903
(iv) Other bank balances	2.6 (b)	-	1,828	14,145
(v) Others	2.3	583	73,657	-
(b) Current tax assets (net)		-	81,925	181,275
(c) Other current assets	2.7	17,787	57,416	27,045
Total current assets		3,512,175	2,885,587	2,227,021
TOTAL ASSETS		3,835,802	3,304,880	2,873,294
II. EQUITY				
(a) Equity share capital	2.8	17,636	17,636	17,636
(b) Other equity		3,521,938	3,039,771	2,526,648
TOTAL EQUITY		3,539,574	3,057,407	2,544,284

Quest Informatics Private Limited**Balance Sheet**

(All amounts in hundred of ₹ except share data and as stated otherwise)

	Note No.	As at 31 March 2024	As at 31 March 2023 (Restated - Refer note 2.30)	As at 1 April 2022 (Restated - Refer note 2.30)
III. LIABILITIES				
(1) Non-current liabilities				
(a) Provisions	2.11	14,777	31,525	-
(b) Deferred tax liabilities (net)	2.19	17,676	-	9,630
(c) Other non-current liabilities		-	-	3,786
Total non-current liabilities		32,453	31,525	13,416
(2) Current liabilities				
(a) Financial Liabilities				
(i) Trade payables				
Billed	2.9			
1. Dues of micro enterprises and small enterprises		-	-	-
2. Dues of creditors other than micro enterprises and small enterprises		23,957	29,291	25,483
Unbilled and accruals	2.9	41,248	29,642	8,817
(ii) Others	2.10	88,535	44,458	108,516
(b) Contract liabilities	2.12	26,056	100,897	93,455
(c) Other current liabilities	2.13	49,937	9,429	71,284
(d) Provisions	2.11	4,232	2,231	8,039
(e) Current tax liabilities (net)		29,810	-	-
Total current liabilities		263,775	215,948	315,594
TOTAL LIABILITIES		296,228	247,473	329,010
TOTAL EQUITY AND LIABILITIES		3,835,802	3,304,880	2,873,294
Material accounting policies	1			

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors
of Quest Informatics Private Limited

Prince Sharma
Partner
Membership Number: 521307

Goutam Rungta
Director
DIN - 08599656

Shiv Kumar Walia
Director
DIN - 09492224

Gurugram, India
Date: 26 July 2024

Noida (UP), India
Date: 26 July 2024

London, UK
Date: 26 July 2024

Quest Informatics Private Limited**Statement of Profit and Loss**

(All amounts in hundred of ₹ except share data and as stated otherwise)

	Note No.	Year ended	
		31 March 2024	31 March 2023 (Restated - Refer note 2.30)
I Revenue			
Revenue from operations	2.14	1,950,800	1,997,767
Other income	2.15	154,985	171,041
Total income		2,105,785	2,168,808
II Expenses			
Employee benefits expense	2.16	1,148,079	1,032,237
Outsourcing costs		108,472	50,444
Finance costs	2.17	4,968	2,293
Depreciation and amortization expense		52,696	10,502
Other expenses	2.18	152,849	284,916
Total expenses		1,467,064	1,380,392
III Profit before tax		638,721	788,416
IV Tax expense	2.19		
Current tax		154,358	297,721
Deferred tax charge (credit)		23,357	(22,428)
Total tax expense		177,715	275,293
V Profit for the year		461,006	513,123
VI Other comprehensive income (loss)			
(i) Items that will not be reclassified to statement of profit and loss		28,278	-
(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		(7,117)	-
Total other comprehensive income (loss), net of tax		21,161	-
VII Total comprehensive income for the year		482,167	513,123
Earnings per equity share of ₹ 10 each	2.20		
Basic (in ₹)		261.39	290.95
Diluted (in ₹)		261.39	290.95
Material accounting policies	1		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors
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Quest Informatics Private Limited
Statement of Changes in Equity
(All amounts in hundred of ₹ except share data and as stated otherwise)

	Equity share capital		Other Equity				Total Equity
	Number of shares	Share capital	Reserves and Surplus			Total Other equity	
			Remeasurement of Defined Benefit Plans	General reserve	Retained earnings		
Balance as at 1 April, 2022 as previously reported	176,364	17,636	-	63,153	2,509,811	2,572,964	2,590,600
Impact of correction of errors (Refer note 2.30)	-	-	-	-	(46,316)	(46,316)	(46,316)
Balance as at 1 April, 2022 (restated)	176,364	17,636	-	63,153	2,463,495	2,526,648	2,544,284
Profit for the year	-	-	-	-	513,123	513,123	513,123
Other comprehensive income (loss)	-	-	-	-	-	-	-
Balance as at 31 March, 2023 (restated)	176,364	17,636	-	63,153	2,976,618	3,039,771	3,057,407
Balance as at 1 April, 2023 (restated)	176,364	17,636	-	63,153	2,976,618	3,039,771	3,057,407
Profit for the year	-	-	-	-	461,006	461,006	461,006
Other comprehensive income (loss)	-	-	21,161	-	-	21,161	21,161
Balance as at 31 March, 2024	176,364	17,636	21,161	63,153	3,437,624	3,521,938	3,539,574

Refer note 1 of material accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors
of Quest Informatics Private Limited

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Gurugram, India
Date: 26 July 2024

Noida (UP), India
Date: 26 July 2024

London, UK
Date: 26 July 2024

Quest Informatics Private Limited**Statement of Cash flows**

(All amounts in hundred of ₹ except share data and as stated otherwise)

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
A. Cash flows from operating activities		
Profit before tax	638,721	788,416
Adjustment for:		
Depreciation and amortization expense	52,696	10,502
Loss on disposal of property, plant and equipment	6	(53,677)
Interest income	(25,031)	(3,220)
Income on investments carried at fair value through profit and loss	(104,592)	(36,504)
Provision of doubtful/bad debts no longer required written back	(14,823)	-
Provision for doubtful debts/ bad debts written off	-	4,096
Interest on direct taxes	3,621	305
	550,598	709,918
Net change in		
Trade receivables	(347,073)	(221,048)
Other financial assets and other assets	112,763	(103,959)
Trade payables	6,272	24,633
Other financial liabilities, provisions and other liabilities	23,275	(96,542)
Cash generated from operations	345,835	313,002
Income taxes paid (net of refunds)	(21,213)	(195,456)
Net cash flow from operating activities (A)	324,622	117,546
B. Cash flows from investing activities		
Proceeds from bank deposits on maturity	-	12,317
Proceeds from sale of mutual funds units	1,456,000	221,306
Purchase of investment in mutual funds	(1,763,153)	(1,699,915)
Proceed from sale of property, plant and equipment	1,013	439,035
Purchase of property, plant and equipment	(13,032)	(344,098)
Net cash flow used in investing activities (B)	(319,172)	(1,371,355)
Net increase (decrease) in cash and cash equivalents (A+B)	5,450	(1,253,809)
Cash and cash equivalents at the beginning of the year	307,094	1,560,903
Cash and cash equivalents at the end of the year as per note 2.6 (a)	312,544	307,094
Material accounting policies (Note 1)		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors
of Quest Informatics Private Limited

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Membership Number: 521307

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Gurugram, India
Date: 26 July 2024

Noida (UP), India
Date: 26 July 2024

London, UK
Date: 26 July 2024

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹ except share data and as stated otherwise)

ORGANISATION AND NATURE OF OPERATIONS

Quest Informatics Private Limited (hereinafter referred to as “the Company”) is primarily engaged in the business of software products. The Company was incorporated under the provisions of the Companies Act applicable in India in February 2000, having its registered office at 109/1 (Haripriya Towers), 20th Main Road, 5th Block, Rajajinagar, Bengaluru, Karnataka - 560010.

The financial statements for the year ended 31 March 2024 were approved and authorized for issue by the Board of Directors on 26 July 2024.

1. MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time and presentation requirements of Schedule III (Division II) to the Companies Act, 2013, as applicable to the financial statements.

These financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following assets and liabilities which have been measured at fair value:

- a) Certain financial assets and liabilities (refer accounting policy regarding financial instruments),
- b) Defined benefit plans

The accounting policies adopted in the preparation of these financial statements are consistent with those of 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.

All assets and liabilities have been classified as current and non-current as per company’s normal operating cycle of 12 months. The statement of cash flows has been prepared under indirect method.

The company uses the Indian rupee (‘₹’) as its reporting currency. All amounts are presented in hundred of ₹ rounded to whole number and amounts less than ₹ 0.50 hundred are presented as “-”.

The company books of accounts are merged with M/s. Atarw Technologies Private Limited (Subsidiary Company of Quest Informatics Private Limited) with shareholding of 99.99 % of Equity shares until March 31, 2021. The merger is in compliance with order of The Regional Director - Hyderabad with terms and condition specified in order, with effective appointment date April 1, 2020. The financial statements are redrafted in compliance with amalgamation / merger order No. 3/kar/CP. No21/RD(SER)/CAA-11/233/2021/565 Dated April 27, 2022.

(b) Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management’s best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates. Changes in estimates are reflected in the financial statements in the year in which the changes are made.

Significant estimates, judgements and assumptions are used for, but not limited to,

- i. Allowance for uncollectible accounts receivables, refer note 1(e)(i)
- ii. Recognition of income and deferred taxes, refer note 1(h) and note 2.19
- iii. Key actuarial assumptions for measurement of future obligations under employee benefit plans, refer note 1(k) and note 2.23
- iv. Useful lives of property, plant and equipment, refer note 1(i)
- v. Provisions and contingent liabilities, refer note 1(m) and note 2.29.

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹ except share data and as stated otherwise)

(c) Foreign currency and translation

The financial statements of the Company are presented in Indian Rupee (₹) which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date of the transaction. Foreign-currency denominated monetary assets and liabilities are translated to the relevant functional currency at exchange rates in effect at the balance sheet date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the initial transaction. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined.

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

(d) Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income securities, other securities which must be measured using the guidance for fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The prescribed fair value hierarchy and related valuation methodologies are as follows:

Level 1 - Quoted inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations, in which all significant inputs are directly or indirectly observable in active markets.

Level 3 - Valuations derived from valuation techniques, in which one or more significant inputs are unobservable inputs which are supported by little or no market activity.

In accordance with Ind AS 113, assets and liabilities at fair value are measured based on the following valuation techniques:

- a) Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- b) Income approach - Converting the future amounts based on market expectations to its present value using the discounting method.
- c) Cost approach - Replacement cost method.

Certain assets are measured at fair value on a non-recurring basis. The assets consist primarily of non-financial assets such as intangible assets.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant who would use the asset in its highest and best use.

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹ except share data and as stated otherwise)

(e) Financial instruments

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

i. Financial assets

All financial assets are recognized initially 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 measured on initial recognition of financial asset. Purchase and sale of financial assets are accounted for at trade date. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash in banks and short term deposits which are subject to an insignificant risk of changes in value.

Financial assets at amortized cost

A financial asset is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in other income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category includes cash and bank balances, unbilled receivable, trade and other receivables.

Financial assets at Fair Value through Other Comprehensive Income (OCI)

A financial asset is classified and measured at fair value through OCI if both of the following criteria are met:

- i. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- ii. The asset's contractual cash flows represent solely payments of principal and interest.

Financial asset included within the OCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. Interest income is recognized in statement of profit and loss for debt instruments. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from OCI to statement of profit and loss.

Financial assets at Fair Value through Profit and Loss

Any financial asset, which does not meet the criteria for categorization at amortized cost or at fair value through other comprehensive income, is classified at fair value through profit and loss. Financial instruments included in the fair value through profit and loss category are measured at fair value with all changes recognized in the statement of profit and loss.

Derecognition of financial assets

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. The amount of expected credit losses (or reversal)

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹ except share data and as stated otherwise)

that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

ii. Financial liabilities

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

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

Financial liabilities at fair value through profit and loss

Financial liabilities designated upon initial recognition at fair value through profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit and loss.

Financial liabilities at amortized cost

The Company's financial liabilities at amortized cost are initially recognized at, net of transaction costs and includes trade payables, accrued salaries and benefits and other payables.

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

(f) Revenue recognition

Contracts involving provision of services and material

Revenue is recognized when, or as, control of a promised service or good transfers to a customer, in an amount that reflects the consideration to which the company expects to be entitled in exchange for transferring those products or services. To recognize revenues, the following five step approach is applied: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenues when a performance obligation is satisfied. A contract is accounted when it is legally enforceable through executory contracts, approval and commitment from all parties, the rights of the parties are identified, payment terms are defined, the contract has commercial substance and collectability of consideration is probable.

Proprietary Software Products

Revenue from term license software is recognized at a point in time at the inception of the arrangement when control transfers to the client. Revenue from proprietary term license software is recognized at a point in time for the committed term of the contract. In case of renewals of proprietary term licenses with existing customers, revenue from term license is recognized at a point in time when the renewal is agreed on signing of contracts. Revenue from support and subscription (S&S) is recognized over the contract term on a straightline basis as the Company is providing a service of standing ready to provide support, when-and-if needed, and is providing unspecified software upgrades on a when-and-if available basis over the contract term. In case software are bundled with support and subscription for term based license, such support and subscription contracts are generally priced as a percentage of the net fees paid by the customer to purchase the license and are generally recognized as revenues ratably over the contractual period that the support services are provided. Revenue from these proprietary software products is classified under sale of services.

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹ except share data and as stated otherwise)

Multiple performance obligation

When a sales arrangement contains multiple performance, such as services, hardware and Licensed IPs (software) or combinations of each of them revenue for each element is based on a five step approach as defined above. To the extent a contract includes multiple promised deliverables, judgment is applied to determine whether promised deliverables are capable of being distinct and are distinct in the context of the contract. If these criteria are not met, the promised deliverables are accounted for as a combined performance obligation. For arrangements with multiple distinct performance obligations or series of distinct performance obligations, consideration is allocated among the performance obligations based on their relative standalone selling price. Standalone selling price is the price at which the company would sell a promised good or service separately to the customer. When not directly observable, we estimate standalone selling price by using the expected cost plus a margin approach. We establish a standalone selling price range for our deliverables, which is reassessed on a periodic basis or when facts and circumstances change.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

Revenue from certain activities in transition services in outsourcing arrangements are not capable of being distinct or represent separate performance obligation. Revenues relating to such transition activities are classified as Contract liabilities and subsequently recognized over the period of the arrangement. Direct and incremental costs in relation to such transition activities which are expected to be recoverable under the contract and generate or enhance resources of the Company that will be used in satisfying the performance obligation in the future are considered as contract fulfillment costs classified as Deferred contract cost and recognized over the period of arrangement. Certain upfront non-recurring incremental contract acquisition costs and other upfront fee paid to customer are deferred and classified as Deferred contract cost and amortized to revenue or cost, usually on a straight line basis, over the term of the contract unless revenues are earned and obligations are fulfilled in a different pattern. The undiscounted future cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

In instances when revenue is derived from sales of third-party vendor services, material or licenses, revenue is recorded on a gross basis when the Company is a principal to the transaction and net of costs when the Company is acting as an agent between the customer and the vendor. Several factors are considered to determine whether the Company is a principal or an agent, most notably being company control the goods or service before it is transferred to customer, latitude in deciding the price being charged to customer. Revenue is recognized net of discounts and allowances, value-added and service taxes, and includes reimbursement of out-of-pocket expenses, with the corresponding outof-pocket expenses included in cost of revenues.

Volume discounts, or any other form of variable consideration is estimated using either the sum of probability weighted amounts in a range of possible consideration amounts (expected value), or the single most likely amount in a range of possible consideration amounts (most likely amount), depending on which method better predicts the amount of consideration realizable. Transaction price includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Our estimates of variable consideration and determination of whether to include estimated amounts in the transaction price may involve judgment and are based largely on an assessment of our anticipated performance and all information that is reasonably available to us.

The Company recognizes an onerous contract provision when the expected unavoidable costs of meeting the future obligations exceed the expected economic benefits to be received under a contract. Such provision, if any, is recorded in the period in which such losses become probable and is included in cost of revenues.

Revenue recognized but not billed to customers is classified either as contract assets or unbilled receivable in balance sheet. Contract assets primarily relate to unbilled amounts on those contracts utilizing the cost to cost method of revenue recognition and right to consideration is not unconditional. Unbilled receivables represent contracts where right to consideration is unconditional (i.e. only the passage of time is required before the payment is due). A contract liability arises when there is excess billing over the revenue recognized.

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹ except share data and as stated otherwise)

(g) Other Income

Other income mainly comprises interest income on bank, interest on income tax refund and other deposits, other interest income recognized using the effective interest method, profit on sale of property, plant and equipments and mutual fund and net foreign exchange gains.

(h) Income taxes

Income tax expense comprises current and deferred income tax.

Income tax expense is recognized in the statement of profit and loss. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Provision for income tax includes the impact of provisions established for uncertain income tax positions. Tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets and liabilities are recognized for those temporary difference which originate during the tax holiday period and are reversed after the tax holiday period. For this purpose, reversal of timing differences is determined using first in first out method.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

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 taxes relate to the same taxable entity and the same taxation authority.

The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the year that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and 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. Any trade discounts and rebates are deducted in arriving at the purchase price. The Company identifies and determines separate useful lives for each major component of the property, plant and equipment, if they have a useful life that is materially different from that of the asset as a whole.

Expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains or losses arising from derecognition of assets 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.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress.

Depreciation on property, plant and equipment is provided on the straight-line method over their estimated useful lives, as determined by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹ except share data and as stated otherwise)

during the year.

The management's estimates of the useful lives of various assets for computing depreciation are as follows:

<u>Asset description</u>	<u>Asset life (in years)</u>
Computers and networking equipment	4-5
Building	30

The useful lives as given above best represent the period over which the management expects to use these assets, based on technical assessment. The estimated useful lives for these assets are therefore different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(j) Impairment of non-financial assets*Property, plant and equipment*

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis 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 CGU to which the asset belongs. Impairment, if any, is measured by the amount by which the carrying value of the asset exceeds the estimated recoverable amount of the asset. Subsequently if there is a change in the estimates used to determine the recoverable amount, the impairment loss is reversed. Such reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined on the date of reversal, if no impairment loss had been recognized. Such impairment and any subsequent reversal is recognized under the head "Depreciation and amortization expense" in the statement of profit and loss.

(k) Retirement and other employee benefits

- i. Provident fund: Employees of the Company receive benefits under the provident fund, a defined benefit plan. The employee and employer each make monthly contributions to the plan. A portion of the contribution is made to Government administered provident fund; while the balance contribution is made to the Government administered pension fund, a define contribution plan.
- ii. Gratuity liability: The Company provide for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's base salary and the tenure of employment (subject to a maximum of ₹ 20 lacs per employee). The liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/losses are recognized immediately in the balance sheet with a corresponding debit or credit to other comprehensive income in the year in which they occur.

In respect to certain employees in India, the Company contributes towards gratuity liabilities to the Life Insurance Corporation of India as permitted by law.

- iii. Compensated absences: The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to the specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation based on (using the projected unit credit method) the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹ except share data and as stated otherwise)

year in which the absences occur. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

- iv. State Plan: The contribution to State Plans, a defined contribution plan namely Employee State Insurance Fund are recognized as expense when employees have rendered services entitling them to such benefits.

(l) Earnings per share (EPS)

Basic EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

(m) Provisions and Contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows.

The company uses significant judgement to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

(n) Nature and purpose of reserves**General reserve**

General reserves are the profits retained by the company for meeting the future needs of the business.

Remeasurement of defined benefit plans

The Company recognizes actuarial gains/losses on defined benefit plans in the balance sheet with a corresponding debit or credit to other comprehensive income in the period in which they occur.

Recently issued accounting pronouncements

As on 31 March 2024, there are no new standards or amendments to the existing standards applicable to the Company which has been notified by Ministry of Corporate Affairs.

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2. Notes to financial statements**2.1 Property, plant and equipment****The changes in the carrying value for the year ended 31 March 2024**

	Freehold Land	Building	Computers and networking equipment	Total
Gross block as at 1 April 2023	-	-	205,963	205,963
Additions	-	-	13,032	13,032
Disposals	-	-	1,084	1,084
Gross block as at 31 March 2024	-	-	217,911	217,911
Accumulated depreciation as at 1 April 2023	-	-	8,156	8,156
Depreciation	-	-	52,696	52,696
Disposals	-	-	65	65
Accumulated depreciation as at 31 March 2024	-	-	60,787	60,787
Net block as at 31 March 2024	-	-	157,124	157,124

The changes in the carrying value for the year ended 31 March 2023 (Restated- Refer note 2.30)

	Freehold Land	Building	Computers and networking equipment	Total
Gross block as at 1 April 2022	5,634	53,515	-	59,149
Additions	-	348,196	205,963	554,159
Disposals	5,634	401,711	-	407,345
Gross block as at 31 March 2023	-	-	205,963	205,963
Accumulated depreciation as at 1 April 2022	-	19,641	-	19,641
Depreciation	-	2,346	8,156	10,502
Disposals	-	21,987	-	21,987
Accumulated depreciation as at 31 March 2023	-	-	8,156	8,156
Net block as at 31 March 2023	-	-	197,807	197,807
Net block as at 1 April 2022	5,634	33,874	-	39,508

Quest Informatics Private Limited
Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.2 Investments

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Financial assets		
Non - current		
Unquoted Investment		
Carried at fair value through profit and loss		
Investment in mutual funds	140,576	184,529
	140,576	184,529
Current		
Unquoted Investment		
Carried at fair value through profit and loss		
Investment in mutual funds	2,158,760	1,703,062
	2,158,760	1,703,062
Total investments - financial assets	2,299,336	1,887,591
Aggregate amount of unquoted investment	2,299,336	1,887,591
Investment carried at fair value through profit and loss	2,299,336	1,887,591

2.3 Other financial assets

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Non - current		
Carried at amortized cost		
Bank deposits with more than 12 months maturity (refer note below)	1,828	-
Security deposits	24,000	24,000
	25,828	24,000
Current		
Carried at amortized cost		
Interest receivable	583	3,657
Investmet in transit	-	70,000
	583	73,657

Note: Pledged with banks as security for guarantees ₹ 1,828 hundred (31 March 2023, ₹ 1,828 hundred)

2.4 Other non- current assets

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Unsecured, considered good		
Security Deposits	99	159
	99	159

2.5 Trade receivables

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Billed-Unsecured, considered good	550,509	672,649
	550,509	672,649
Loss allowance for bad and doubtful debts	(55,136)	(69,958)
	495,373	602,691
Unbilled receivables	527,128	660,605
	1,022,501	1,263,296

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.5 Trade receivables (continued)

Trade receivables	Not Due	Outstanding as at 31 March 2024 from the due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - considered good	473,522	30,361	20,843	25,783	-	-	550,509
	473,522	30,361	20,843	25,783	-	-	550,509
Loss allowance for bad and doubtful debts							(55,136)
Unbilled receivables							495,373
							527,128
							1,022,501

Trade receivables	Not Due	Outstanding as at 31 March 2023 from the due date of payment (Restated-Refer note 2.30)					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - considered good	386,518	3,643	282,488	-	-	-	672,649
	386,518	3,643	282,488	-	-	-	672,649
Loss allowance for bad and doubtful debts							(69,958)
Unbilled receivables							602,691
							57,914
							660,605

2.6 Cash and cash equivalents and other bank balances

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
(a) Cash and cash equivalents		
Balance with banks in current accounts	312,544	307,094
(b) Other bank balances		
Short term deposits (Refer note 2.3)	-	1,828
	312,544	308,922

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.7 Other current assets

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Unsecured , considered good		
Advances other than capital advances		
Security deposits	722	-
Advances to employees	785	6,332
Others		
Prepaid expenses	16,280	22,677
Goods and service tax receivable	-	15,197
Other advances	-	13,210
	17,787	57,416

2.8 Equity Share capital

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Authorized		
7,860,000 (31 March 2023, 7,860,000) equity shares of ₹ 10 each	786,000	786,000
Issued, subscribed and fully paid up		
176,364 (31 March 2023, 176,364) equity shares of ₹ 10 each	17,636	17,636

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share.

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

Reconciliation of the number of shares outstanding at the beginning and at the end of the financial year :

	As at			
	31 March 2024		31 March 2023 (Restated - Refer note 2.30)	
	No. of shares	₹ in Hundred	No. of shares	₹ in Hundred
Number of shares at the beginning	176,364	17,636	176,364	17,636
Number of shares at the end	176,364	17,636	176,364	17,636

Shares held by holding company:

	As at			
	31 March 2024		31 March 2023 (Restated - Refer note 2.30)	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Sankalp Semiconductor Private Limited				
Equity shares of ₹ 10 each fully paid	176,364	100%	176,364	100%

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.8 Equity Share capital (continued)**Details of shareholders holding more than 5 % shares in the company:-**

Name of the shareholder	As at			
	31 March 2024		31 March 2023 (Restated - Refer note 2.30)	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10 each fully paid Sankalp Semiconductor Private Limited	176,364	100%	176,364	100%

Quest Informatics Private Limited("Quest") has been acquired by Sankalp Semiconductor Private Limited through acquisition of 100% shares in Quest on 12 July 2022.

As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

There were no bonus shares issued, no share issued for consideration other than cash and no shares bought back during the period of five years immediately preceding the reporting date.

Capital management

The primary objective of the Company's capital management is to support business continuity and growth of the company while maximizing shareholder value. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements have been generally met through operating cash flows generated.

2.9 Trade payables

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Trade payables	3,931	25,440
Trade payables-related parties (refer note 2.24)	20,026	3,851
	23,957	29,291
Unbilled and accruals	40,520	29,642
Unbilled and accruals-related parties (refer note 2.24)	728	-
	41,248	29,642
	65,205	58,933

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated)

2.9 Trade payables (continued)

Particulars	Not Due	Outstanding as at 31 March 2024 from the due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed	-	-	-	-	-	-
(ii) Others - Undisputed	12,391	11,566	-	-	-	23,957
	12,391	11,566	-	-	-	23,957
Unbilled and accruals						41,248
						65,205

Particulars	Not Due	Outstanding as at 31 March 2023 from the due date of payment (Restated-Refer note 2.30)				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME - Undisputed	-	-	-	-	-	-
(ii) Others - Undisputed	23,795	5,496	-	-	-	29,291
	23,795	5,496	-	-	-	29,291
Unbilled and accruals						29,642
						58,933

2.10 Other financial liabilities

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Current		
Carried at amortized cost		
Accrued salaries and benefits		
Employee bonuses accrued	84,223	33,941
Other employee costs	4,312	10,517
	88,535	44,458

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated)

2.11 Provisions

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Non - current		
Provision for employee benefits		
Provision for gratuity (refer note 2.23)	2,336	25,012
Provision for leave benefits	12,441	6,513
	14,777	31,525
Current		
Provision for employee benefits		
Provision for leave benefits	4,201	2,231
Other provisions	31	-
	4,232	2,231

2.12 Contract liabilities

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Current		
Contract liabilities (refer note 2.14)	26,056	100,897
	26,056	100,897

2.13 Other current liabilities

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Withholding and other statutory dues	49,937	9,429
	49,937	9,429

2.14 Revenue from operations

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Sale of services	1,950,800	1,997,767
	1,950,800	1,997,767

Disaggregate Revenue Information

The disaggregated revenue as per geography is as follows

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Geography wise		
India	852,929	994,567
Rest of the world	1,097,871	1,003,200
	1,950,800	1,997,767

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.14 Revenue from operations (continued)**Remaining performance obligations**

Remaining performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc). As at 31 March 2024, the aggregate amount of transaction price allocated to remaining performance obligations as per the requirements of Ind AS 115 was INR 26,056 hundreds (31 March 2023 was 100,897 hundreds) out of which approximately 100% (31 March 2023 was 100%) is expected to be recognized as revenues within one year and the balance beyond one year. These amounts are not adjusted for variable consideration allocated to remaining performance obligation, which are not probable. These amounts also exclude contracts for which we recognize revenues based on the right to invoice for services performed and contracts where consideration is in the form of a sales-based or usage-based royalty promised in exchange for a license of intellectual property.

Contract assets : There is no contract assets as at 31 March 2024

The below table discloses the movement in balance of contract liabilities:

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Balance as at the beginning of the year	100,897	93,455
Additional amount billed but not recognised as revenue	26,056	100,897
Deduction on account of revenue recognized during the year	(100,897)	(93,455)
Balance as at end of the year	26,056	100,897

Deferred contract cost : Deferred contract cost primarily represents the contract fulfilment cost and cost for obtaining contract. There is no deferred contract cost in the current year and previous year.

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

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Contracted price	1,950,800	1,997,767
Revenue recognised	1,950,800	1,997,767

2.15 Other income

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Interest Income		
- On bank	7,614	60,600
- On income tax refund	25,031	3,220
Income on investments carried at fair value through profit and loss		
- Unrealized gain/(loss) on fair value changes on mutual funds	52,617	(115,660)
- Profit on sale of mutual funds	51,975	152,164
Profit on sale of property, plant and equipments	-	53,677
Exchange differences (net)	560	10,651
Rental Income	-	2,483
Provision of doubtful/bad debts no longer required written back	14,823	-
Miscellaneous income	2,365	3,906
	154,985	171,041

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.16 Employee benefits expense

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Salaries, wages and bonus	1,037,164	944,765
Contribution to provident fund and other employee funds (refer note 2.22)	90,493	74,132
Staff welfare expenses	20,422	13,340
	1,148,079	1,032,237

2.17 Finance costs

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Interest on direct taxes	3,621	305
Other interest costs and bank charges	1,347	1,988
	4,968	2,293

2.18 Other expenses

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Rent	64,512	64,512
Power and fuel	13,998	13,258
Insurance	-	1,500
Repairs and maintenance	11,659	14,695
Communication costs	4,564	11,896
Travel and conveyance	16,378	9,723
Legal and professional charges	11,134	15,393
Software license fee	7,574	93,152
Expenditure toward corporate social responsibility activities (refer note 2.28)	8,752	6,618
Recruitment, training and development	-	4,069
Loss on disposal of property, plant and equipment	6	-
Business promotion	2,704	10,411
Printing and stationery	-	1,020
Rates and taxes	1,114	9,595
Provision for doubtful debts/ bad debts written off	-	4,096
Digitalisation expenses	-	18,100
Commission charges	-	6,017
Miscellaneous expenses	10,454	861
	152,849	284,916

Quest Informatics Private Limited
Notes to financial statements for the year ended 31 March 2024
(All amounts in hundred of ₹, except share data and as stated otherwise)

2.19 Income taxes

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Income tax charged to statement of profit and loss		
Current income tax charge	154,358	297,721
Deferred tax charge (credit)	23,357	(22,428)
	177,715	275,293
Income tax charged to other comprehensive income		
Expense (benefit) on unrealized loss on gratuity	7,117	-
	7,117	-

The reconciliation between the Company's provision for income tax and amount computed by applying the statutory income tax rate in India is as follows:

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Profit before tax	638,721	788,416
Statutory tax rate in India	25.17%	25.17%
Expected tax expense	160,753	198,429
Other permanent differences	3,144	14,499
Capital gain on sale of PPE	-	54,846
Benefits not available	13,128	-
Others (net)	690	7,519
Total taxes	177,715	275,293
Effective income tax rate	27.82%	34.92%

Components of deferred tax assets and liabilities as on 31 March 2024

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
Accrued employee costs	8,503	7,320	(7,117)	8,706
Provision for doubtful debts	17,607	(3,731)	-	13,876
Deduction of Section 80JJAA	-	3,494	-	3,494
Others	10,187	(7,374)	-	2,813
Gross deferred tax assets (A)	36,297	(291)	(7,117)	28,889
Deferred tax liabilities				
Property, plant and equipment	8,315	3,893	-	12,208
Unrealized gain on financial instruments	15,184	19,173	-	34,357
Gross deferred tax liabilities (B)	23,499	23,066	-	46,565
Net deferred tax Liability (B-A)	(12,798)	23,357	7,117	17,676

Components of deferred tax assets and liabilities as on 31 March 2023 (Restated- Refer Note 2.30)

	Opening balance	Recognized in profit and loss	Recognised in / reclassified from OCI	Closing balance
Deferred tax assets				
Accrued employee costs	-	8,503	-	8,503
Property, plant and equipment	892	(892)	-	-
Provision for doubtful debts	16,576	1,031	-	17,607
Others	7,898	2,289	-	10,187
Gross deferred tax assets (A)	25,366	10,931	-	36,297
Deferred tax liabilities				
Property, plant and equipment	-	8,315	-	8,315
Unrealized gain on financial instruments	34,996	(19,812)	-	15,184
Gross deferred tax liabilities (B)	34,996	(11,497)	-	23,499
Net deferred tax liability / (asset) (B-A)	9,630	(22,428)	-	(12,798)

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.20 Earnings per equity share (EPS)

The computation of earnings per equity share is as follows:

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Profit for the year attributable to shareholders of the Company	461,006	513,123
Weighted average number of equity shares outstanding in calculating basic EPS	176,364	176,364
Weighted average number of equity shares outstanding in calculating diluted EPS	176,364	176,364
Nominal value of equity shares (in ₹)	10	10
Earnings per equity share (in ₹)		
- Basic	261.39	290.95
- Diluted	261.39	290.95

2.21 Financial instruments

(a) Financial assets and liabilities

The carrying value of financial instruments by categories as at 31 March 2024 is as follows:

	Fair value through profit and loss	Amortized cost	Total carrying value
Financial assets			
Investments	2,299,336	-	2,299,336
Trade receivables (including unbilled)	-	1,022,501	1,022,501
Cash and cash equivalents	-	312,544	312,544
Other bank balance	-	-	-
Others	-	26,411	26,411
Total	2,299,336	1,361,456	3,660,792
Financial liabilities			
Trade payables (including unbilled and accruals)	-	65,205	65,205
Others	-	88,535	88,535
Total	-	153,740	153,740

The carrying value of financial instruments by categories as at 31 March 2023 (Restated - Refer Note 2.30) is as follows:

	Fair value through profit and loss	Amortized cost	Total carrying value
Financial assets			
Investments	1,887,591	-	1,887,591
Trade receivables (including unbilled)	-	660,605	660,605
Cash and cash equivalents	-	307,094	307,094
Other bank balance	-	1,828	1,828
Others	-	97,657	97,657
Total	1,887,591	1,067,184	2,954,775
Financial liabilities			
Trade payables (including unbilled and accruals)	-	58,933	58,933
Others	-	44,458	44,458
Total	-	103,391	103,391

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.21 Financial instruments (continued)**Fair value hierarchy**

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2024 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	2,299,336	2,299,336	-	-

The assets and liabilities measured at fair value on a recurring basis as at 31 March 2023 and the basis for that measurement is as below:

	Fair value	Level 1 inputs	Level 2 inputs	Level 3 inputs
Assets				
Investments carried at fair value through profit and loss	1,887,591	1,887,591	-	-

There have been no transfers between Level 1 and Level 2 during the current and previous year.

Valuation methodologies

Investments: The Company's investments consists of investment in mutual funds. Fair values of mutual funds classified as fair value through profit and loss are determined using quoted prices or identical quoted prices of assets or liabilities in active markets and are classified as Level 1.

The Company assessed that fair value of cash and cash equivalents, trade receivables, trade payables, other financial assets and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial risk management

The Company is exposed to market risk, credit risk and liquidity risk which may impact the fair value of its financial instruments. The company has a risk management policy to manage and mitigate these risks.

The Company's risk management policy aims to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk. The Company is primarily exposed to fluctuation in foreign currency exchange rates.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates. The Company's exposure to the risk of changes in exchange rates relates primarily to the Company's operations.

The exchange rate risk primarily arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency forecasted revenue and cash flows. A significant portion of the Company revenue and cost is in INR. The fluctuation in exchange rates in respect to India rupee may have potential impact on the statement of profit and loss and other comprehensive income and equity.

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.21 Financial instruments (continued)**(i) Foreign currency risk**

Appreciation / depreciation of 5% in respective foreign currencies with respect to functional currency of the Company would result in decrease / increase in the Company's profit before tax by approximately ₹ 38,109 hundred (31 March 2023, ₹ 19,830 hundred) for the year ended 31 March 2024.

The rate sensitivity is calculated by aggregation of the net foreign exchange exposure and a simultaneous parallel foreign exchange rates shift of all the currencies by 5% against the respective functional currencies of the Company. The sensitivity analysis presented above may not be representative of the actual change.

Foreign currency exposure as of 31 March 2024 and 31 March 2023 in major currencies is as below:

	Financial assets		Financial liabilities	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
USD / INR	576,980	233,359	1,668	1,644
CAD / INR	80,236	87,081	-	-
SEK / INR	5,619	-	-	-
GBP / INR	-	-	498	-
EURO / INR	101,503	77,813	-	-

Credit risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash and bank balances, trade receivables, unbilled receivables and investment securities. The cash resources of the Company are invested with mutual funds and banks after an evaluation of the credit risk. By their nature, all such financial instruments involve risks, including the credit risk of non-performance by counterparties.

The allowance for lifetime expected credit loss on customer balances is as below:

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Balance at the beginning of the year	-	-
Additional provision during the year	-	-
Deductions on account of write offs and collections	55,136	-
Balance at the end of the year	55,136	-

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The investment philosophy of the Company is capital preservation and liquidity in preference to returns. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet the financial obligations and maintain adequate liquidity for use.

Maturity profile of the Company's financial liabilities based on contractual payments is as below:

	Year 1 (Current)	Year 2	Year 3	Year 4-5 and thereafter	Total
As at 31 March 2024					
Trade payables (including unbilled and accruals)	65,205	-	-	-	65,205
Others financial liabilities	88,535	-	-	-	88,535
Total	153,740	-	-	-	153,740
As at 31 March 2023 (Restated-Refer note 2.30)					
Trade payables (including unbilled and accruals)	58,933	-	-	-	58,933
Others financial liabilities	44,458	-	-	-	44,458
Total	103,391	-	-	-	103,391

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.22 Segment reporting

In the opinion of management, company has only one business segment hence there are no reportable segments as envisaged in Ind AS 108 'Operating Segments' notified under section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules 2014.

2.23 Employee benefits

The Company has calculated the various benefits provided to employees as shown below:

A. Defined contribution plans and state plans

Employer's contribution to Employee's State Insurance

Employer's contribution to Provident fund and Employee's Pension Scheme

During the year, the Company has recognized the following amounts in the statement of profit and loss:-

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Employer's contribution to Employee's State Insurance	1,983	4,576
Employer's contribution to Provident Fund & Employee's Pension Scheme	44,401	44,544
Total	46,384	49,120

B. Defined benefit plans**Gratuity**

The following table sets out the status of the gratuity plan:

Statement of profit and loss

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Current Service Cost	10,956	25,012
Interest cost (net)	2,233	-
Net benefit expense	13,189	25,012

Balance sheet

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Defined benefit obligation	80,252	101,442
Fair value of plan assets	(77,916)	(76,430)
Net plan liability	2,336	25,012
Current defined benefit obligation	-	-
Non current defined benefit obligation	2,336	25,012

Changes in present value of defined benefit obligation are as follows :

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Opening defined benefit obligations	101,442	-
Current service cost	10,956	49,720
Interest cost	6,747	-
Re-measurement (gains)/losses in OCI		
Actuarial changes arising from changes in demographic assumptions	235	-
Actuarial changes arising from changes in financial assumptions	(1,216)	-
Experience adjustments	(27,627)	-
Benefits paid	(10,285)	51,722
Closing defined benefit obligations	80,252	101,442

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.23 Employee benefits (continued)

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

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Opening fair value of plan assets	76,430	-
Interest income (expense)	4,514	-
Contributions	-	76,430
Re-measurement gains (losses) in OCI		
Return on plan assets, excluding amount recognized in interest income	(330)	-
Benefits paid	(2,698)	-
Closing fair value of plan assets	77,916	76,430

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Discount rate	7.20%	7.40%
Estimated rate of salary increases	6.00%	6.50%
Expected rate of return on assets	7.20%	7.40%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Inherent risk exists for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risk.

Discount rate and future salary escalation rate are the key actuarial assumptions to which the defined benefit obligations are particularly sensitive. The following table summarizes the impact on defined benefit obligations as at 31 March 2024 arising due to increase / decrease in key actuarial assumptions by 50 basis points:

	Discount rate		Salary escalation rate	
	As at		As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Impact of increase	1,921	2,436	(2,032)	(1,956)
Impact of decrease	(2,018)	(2,555)	1,952	1,873

The sensitivity analysis presented may not be representative of the actual change in the defined benefit obligations as sensitivities have been calculated to show the movement in defined benefit obligations in isolation and assuming there are no other changes in the market conditions. There have been no changes in the methods and assumptions used in preparing the sensitivity analysis.

The defined benefit obligations are expected to mature after 31 March 2024 as follows:-

Year ending 31 March,2024	Cash flows
- 2025	17,064
- 2026	17,018
- 2027	19,553
- 2028	27,785
- 2029	20,006
- Thereafter	160,060

The weighted average duration for the payment of these cash flows is 4.96 years.

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.24 Related party transactions

a) Related parties where control exists.

Holding Company: Sankalp Semiconductor Private Limited (w.e.f. 13.07.2022)
Ultimate Holding Company: HCL Technologies Limited (w.e.f. 13.07.2022)

b) Related parties with whom transactions(including outstanding balances) have taken place during the year.

Ultimate Holding Company: HCL Technologies Limited
Holding Company: Sankalp Semiconductor Private Limited
Significant Influence: HCL Avitas Private Limited

Related party transactions

Transactions with related parties during the normal course of business	Ultimate Holding Company		Holding Company		Significant Influence		KMP and its relative	
	Year ended		Year ended		Year ended		Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)	31 March 2024	31 March 2023 (Restated - Refer note 2.30)	31 March 2024	31 March 2023 (Restated - Refer note 2.30)	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Compensation - Short term employee benefits	-	-	-	-	-	-	-	15,730
Sale of Land and building	-	-	-	-	-	-	-	439,035
Transfer of employee liabilities	7,587	-	-	-	-	-	-	-
Purchase of property, plant and equipment	-	205,414	-	-	-	-	-	-
Other expenses	8,916	-	518	-	5,363	-	-	-
Rent Expense (furniture & fixture and computer)	-	-	-	-	-	-	-	3,390

Material related party transactions	Year ended		Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Purchase of property, plant and equipment HCL Technologies Limited	-	205,414	-	-
Compensation - Short term employee benefits Rudresh S Basavarajappa	-	-	-	15,730
Sale of Land and building Rudresh S Basavarajappa	-	-	-	439,035
Rent Expense (furniture & fixture and computer) Rudresh S Basavarajappa	-	-	-	3,390
Purchase of PPE Rudresh S Basavarajappa	-	-	-	-

Outstanding balances	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Ultimate Holding Company Trade payables, other financial liabilities and other liabilities	19,508	3,851
Holding Company Trade payables	518	-
Significant Influence Unbilled and accruals	728	-

All transactions entered by the Company with related parties are at arm's length and in ordinary course of business

Quest Informatics Private Limited**Notes to financial statements for the year ended 31 March 2024**

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.25 Ratio

Ratio	Numerator	Denominator	Units	Year ended		% Variance
				31 March 2024	31 March 2023 (Restated - Refer note 2.30)	
Current ratio	Current assets	Current liabilities	Times	13.3	13.4	1%
Return on equity ratio	Profit for the year	Average total equity	%	14.0	18.3	-24%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	2.3	3.6	-36%
Trade payables turnover ratio	Net credit purchases (refer note below 1)	Average trade payables	Times	4.2	7.2	-42%
Net capital turnover ratio	Revenue from operations	Working capital (refer note below 2)	Times	0.6	0.7	-20%
Net profit ratio	Profit for the year	Revenue from operations	%	23.6	25.7	-8%
Return on capital employed	Earning before interest and taxes	Capital employed (refer note 3 below)	%	17.4	25.8	-33%
Return on investment - Unquoted	Income generated from invested funds	Time weighted average investments	%	4.98	5.9	-16%

Notes :

(1) Net credit purchase includes outsourcing costs and other expenses.

(2) Working capital = current assets - current liabilities.

(3) Capital employed = Tangible net worth and other intangible assets - deferred tax assets + deferred tax liabilities+total debt

(4) Average is calculated based on simple average of opening and closing balances.

Explanation where change in the ratio is more than 25%

1. Trade receivable turnover ratio has decreased due to increase in average trade receivables as compared to previous year.

2. Trade payable turnover ratio has decreased due to decrease in average trade payable and decrease in other expenses.

3. Return on capital employed has decreased due to decrease in profit for the current year and increase in capital employed as compared to previous year.

2.26 Payment to auditors

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Audit fees	2,500	4,500
Other services (Tax audit fees)	1,000	1,000
	3,500	5,500

2.27 Micro and small enterprises

As per information available with the management, the dues payable to enterprises covered under “The Micro, Small and Medium Enterprises Development Act, 2006” are as follows:

	For the year ended 31 March 2024		For the year ended 31 March 2023 (Refer Note 2.30)	
	Principal	Interest	Principal	Interest
Amount due to Vendor (including capital accounts payable)	-	-	-	-
Principal amount paid beyond the appointed date	-	-	-	-
Interest under normal credit terms -				
Accrued and unpaid during the year	-	-	-	-
Total interest payable -				
Accrued and unpaid during the year	-	-	-	-

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company.

2.28 Corporate social responsibility

As required by section 135 of the Companies Act, 2013, Following shall be disclosed with regard to CSR activities:-

	Year ended	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
(i) amount required to be spent by the company during the year,	8,752	6,618
(ii) amount of expenditure incurred,		
a. Construction/acquisition of any assets	-	-
b. On purpose other than (a.) above	8,752	6,618
(iii) shortfall at the end of the year,	-	-
(iv) total of previous years shortfall,	-	-
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities,	Refer note below	Refer note below
(vii) details of related party transactions, e.g.,contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

Note : CSR activities includes Education, Environment, Skill Development & Livelihood, Water & Sanitation, Promoting sustainable health, nutrition and hygiene interventions, Gender & Inclusion, Early Childhood Care & Development, Disaster relief.

2.29 Commitments and contingent liabilities

	As at	
	31 March 2024	31 March 2023 (Restated - Refer note 2.30)
Capital and other commitments		
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
	-	-

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the final rules are yet to be framed. The Company will carry out an evaluation of the impact and record the same in the financial statements in the period in which the Code becomes effective and the related rules are notified.

Quest Informatics Private Limited
Balance Sheet

(All amounts in hundred of ₹ except share data and as stated otherwise)

2.30 Restatement of comparative information for the year ended and as at 31 March 2023 and as at 1 April 2022 on account of correction of errors

In the current year, certain material prior period errors (with consequent impact on tax expense) were identified pertaining to accounting, presentation and classification of certain items in the audited financial statements for the year ended 31 March 2023. These errors have been corrected by restating each of the affected financial statement line items as at and for the year ended 31 March 2023 and a third balance sheet as at 1 April 2022 has been presented as per the requirements of the applicable Ind ASs and Division II of Schedule III to the Companies Act, 2013. The following table summarises the impact on the financial statements.

	As previously stated		Adjustment		As restated	
	31 March 2023	01 April 2022	31 March 2023	01 April 2022	31 March 2023	01 April 2022
I. ASSETS						
(1) Non-current assets						
(a) Property, plant and equipment	197,807	39,508	-	-	197,807	39,508
(b) Capital work in progress	-	210,061	-	-	-	210,061
(c) Right-of-use-assets (Refer note 1)	208,089	-	(208,089)	-	-	-
(d) Other intangible asset	-	-	-	-	-	-
(e) Financial assets						
(i) Investments	184,529	372,478	-	-	184,529	372,478
(ii) Others (Refer note 1)	19,776	24,226	4,224	-	24,000	24,226
(f) Deferred tax assets (net) (Refer note 9)	-	-	12,798	-	12,798	-
(g) Other non-current assets	159	-	-	-	159	-
Total non-current assets	610,360	646,273	(191,067)	-	419,293	646,273
(2) Current assets						
(a) Financial Assets						
(i) Investments	1,703,062	-	-	-	1,703,062	-
(ii) Trade receivables						
Billed (Refer note 2)	672,649	447,440	(69,958)	(65,862)	602,691	381,578
Unbilled (Refer note 8)	25,153	-	32,761	62,075	57,914	62,075
(iii) Cash and cash equivalents (Refer note 3)	307,026	1,560,832	68	71	307,094	1,560,903
(iv) Other bank balances	1,828	14,145	-	-	1,828	14,145
(v) Others (Refer note 7)	3,657	-	70,000	-	73,657	-
(b) Current tax assets (net) (Refer note 9)	87,542	181,275	(5,617)	-	81,925	181,275
(c) Other current assets (Refer note 4 & 7)	143,243	27,045	(85,827)	-	57,416	27,045
Total current assets	2,944,160	2,230,737	(58,573)	(3,716)	2,885,587	2,227,021
TOTAL ASSETS	3,554,520	2,877,010	(249,640)	(3,716)	3,304,880	2,873,294
II. EQUITY						
(a) Equity share capital	17,636	17,636	-	-	17,636	17,636
(b) Other equity	3,146,118	2,572,964	(106,347)	(46,316)	3,039,771	2,526,648
TOTAL EQUITY	3,163,754	2,590,600	(106,347)	(46,316)	3,057,407	2,544,284
III. LIABILITIES						
(1) Non-current liabilities						
(a) Financial liabilities						
(i) Lease liabilities (Refer note 1)	153,091	-	(153,091)	-	-	-
(b) Provisions (Refer note 5)	61,687	-	(30,162)	-	31,525	-
(c) Deferred tax liabilities (net) (Refer note 9)	25,434	60,485	(25,434)	(50,855)	-	9,630
(d) Other non-current liabilities	-	3,786	-	-	-	3,786
Total non-current liabilities	240,212	64,271	(208,687)	(50,855)	31,525	13,416
(2) Current liabilities						
(a) Financial Liabilities						
(i) Lease liabilities (Refer note 1)	58,145	-	(58,145)	-	-	-
(ii) Trade payables						
Billed						
1. Dues of micro enterprises and small	-	-	-	-	-	-
2. Dues of creditors other than micro enterprises	45,775	25,483	(16,484)	-	29,291	25,483
and small enterprises (Refer note 4)						
Unbilled and accruals (Refer note 1)	24,266	8,817	5,376	-	29,642	8,817
(iii) Others (Refer note 6)	10,708	108,516	33,750	-	44,458	108,516
(b) Contract liabilities (Refer note 8)	-	-	100,897	93,455	100,897	93,455
(c) Other current liabilities	9,429	71,284	-	-	9,429	71,284
(d) Provisions	2,231	8,039	-	-	2,231	8,039
Total current liabilities	150,554	222,139	65,394	93,455	215,948	315,594
TOTAL LIABILITIES	390,766	286,410	(143,293)	42,600	247,473	329,010
TOTAL EQUITY AND LIABILITIES	3,554,520	2,877,010	(249,640)	(3,716)	3,304,880	2,873,294

Quest Informatics Private Limited
Statement of Profit and Loss

(All amounts in hundred of ₹ except share data and as stated otherwise)

2.30 Restatement of comparative information for the year ended and as at 31 March 2023 and as at 1 April 2022 on account of correction of errors (continued)
For year ended 31 March 2023

	As previously stated	Effects of adjustments	As restated
I Revenue			
Revenue from operations (Refer note 8)	2,034,523	(36,756)	1,997,767
Other income (Refer note 1)	171,258	(217)	171,041
Total income	2,205,781	(36,973)	2,168,808
II Expenses			
Employee benefits expense (Refer note 4, 5 & 6)	1,029,307	2,930	1,032,237
Outsourcing costs	50,444	-	50,444
Finance costs (Refer note 1 & 3)	4,582	(2,289)	2,293
Depreciation and amortization expense (Refer note 1)	21,173	(10,671)	10,502
Other expenses (Refer note 1 & 2)	270,068	14,848	284,916
Total expenses	1,375,574	4,818	1,380,392
III Profit before tax	830,207	(41,791)	788,416
IV Tax expense			
Current tax (Refer note 9)	292,104	5,617	297,721
Deferred tax charge (credit) (Refer note 9)	(35,051)	12,623	(22,428)
Total tax expense	257,053	18,240	275,293
V Profit for the year	573,154	(60,031)	513,123
VI Other comprehensive income (loss)			
(i) Items that will be reclassified to statement of profit and loss	-	-	-
(ii) Income tax relating to items that will be reclassified to statement of profit and loss	-	-	-
Total other comprehensive income (loss), net of tax	-	-	-
VII Total comprehensive income for the year	573,154	(60,031)	513,123
Earnings per equity share of ₹ 10 each			
Basic (in ₹)	324.98	(34.04)	290.95
Diluted (in ₹)	324.98	(34.04)	290.95

Quest Informatics Private Limited

Statement of Cash flows

(All amounts in hundred of ₹ except share data and as stated otherwise)

2.30 Restatement of comparative information for the year ended and as at 31 March 2023 and as at 1 April 2022 on account of correction of errors (continued)

For year ended 31 March 2023

	As previously stated	Effects of adjustments	As restated
A. Cash flows from operating activities			
Profit before tax	830,207	41,791	788,416
Adjustment for:			
Depreciation and amortization expense	21,173	10,671	10,502
Loss on disposal of property, plant and equipment (net)	(53,677)	-	(53,677)
Interest income	(64,037)	(60,817)	(3,220)
Income on investments carried at fair value through profit and loss	(36,504)	-	(36,504)
Provision for doubtful debts/ bad debts written off	-	(4,096)	4,096
Interest on direct taxes	305	-	305
Interest on lease liability	2,292	2,292	-
	699,759	(10,159)	709,918
Net change in			
Trade receivables	(250,362)	(29,314)	(221,048)
Other financial assets and other assets	(116,130)	(12,171)	(103,959)
Trade payables	35,741	11,108	24,633
Other financial liabilities, provisions and other liabilities	(107,570)	(11,028)	(96,542)
Cash generated from operations	261,438	(51,564)	313,002
Income taxes paid (net of refunds)	(195,456)	-	(195,456)
Net cash flow from operating activities (A)	65,982	(51,564)	117,546
B. Cash flows from investing activities			
Proceeds from bank deposits on maturity	12,317	-	12,317
Proceeds from sale of mutual funds units	221,306	-	221,306
Purchase of investment in mutual funds	(1,699,915)	-	(1,699,915)
Interest received	56,943	56,943	-
Proceed from sale of property, plant and equipment	439,035	-	439,035
Purchase of property, plant and equipment	(344,098)	-	(344,098)
Net cash flow used in investing activities (B)	(1,314,412)	56,943	(1,371,355)
C. Cash flows from financing activities			
Payment of lease liabilities including interest	(5,376)	(5,376)	-
Net cash flow used in financing activities (C)	(5,376)	(5,376)	-
Net increase (decrease) in cash and cash equivalents (A+B+C)	(1,253,806)	3	(1,253,809)
Cash and cash equivalents at the beginning of the year	1,560,832	(71)	1,560,903
Cash and cash equivalents at the end of the year	307,026	(68)	307,094

2.30 Restatement of comparative information for the year ended and as at 31 March 2023 and as at 1 April 2022 on account of correction of errors (continued)

Note 1: The Company has derecognized the Right of Use (ROU) asset amounting to INR 208,809 hundreds, and lease liability amounting to INR 211,236 hundreds and reversed the corresponding amortization of INR 4,224 hundred, and interest costs of INR 2,292 hundreds which was recognized in the statement of profit and loss for the year ended 31 March 2023 in relation to a contract which was erroneously considered as a lease under Ind AS 16 'Leases' although it did not have an enforceable lease term. Accordingly, the amount payable as per the agreement has been expensed equally as per the period mentioned in the contract. A provision of INR 5,376 hundreds has been created for the expense accrued.

Note 2: The allowance for expected credit loss determined in accordance with Ind AS 109 'Financial Instruments' was found to be erroneous due to certain errors in the computation of the ageing of accounts receivable balances. Accordingly, the allowance for expected credit loss has been reassessed and an additional allowance of INR 4,096 hundreds has been recognized as of 31 March 2023. Further the ageing of accounts receivable as of 31 March 2023 has been rectified and presented in Note 2.5 of these financial statements. Further as of 31 March 2022, determination of allowance for expected credit loss was omitted, accordingly upon an amount of INR 65,862 hundreds has been recognised as of 01 April 2022 in this regard.

Note 3: :- Prior to 31 March 2022, a bank balance amounting to INR 71 hundreds was erroneously written off as an expense. Accordingly, the bank balance amounting to INR 71 hundreds has been reinstated with a corresponding credit to other equity as on 1 April 2022. Further, entries reflecting in this bank account (mainly representing bank charges) have been recognised as an expense in the statement of profit and loss for the year ended 31 March 2023 amounting to INR 3 hundreds.

Note 4: A refund of the insurance premium paid earlier by the company was received from an insurance company due to the termination of the insurance policy during the previous year. The amount so received (INR 16,485 hundreds) was presented as a liability under accounts payable instead of adjusting it with prepaid expenses, which has now been corrected. Further, amortization of the prepaid expense subsequent to the termination of the policy (amounting to INR 15,827 hundreds) has been reversed.

Note 5: The measurement of defined benefit obligation relating to Gratuity as of 31 March 2023 was overstated by INR 30,162 hundred (since plan assets amounting to INR 30,162 hundreds was not considered in the actuarial valuation). The management has obtained a revised actuarial valuation report to reassess the defined benefit obligation and recognized the necessary adjustments, this has resulted in a reduction in the provision for employee benefits non-current by NR 30,162 hundreds. The disclosures relating to the defined benefit obligation have been revised and presented in Note 2.23 of these financial statements.

Note 6: As of 31 March 2023, the Company had erroneously not accrued the bonus payable to certain employees as per the contract entered with them. Accordingly, an accrual of INR 33,750 hundreds for the period upto 31 March 2023 has been recognized as an expense and liability is carried as a financial liability.

Note 7:- The Company executed a transaction for purchase of units of mutual fund on 31 March 2023 however, the units were transferred to the Company in April 2023. The amount so paid (amounting to INR 70,000 hundreds) for such "Investments in transit" was erroneously classified under "Other current asset - Other advances" instead of "Other financial assets". The same has been corrected now in accordance with the Company's accounting policy

Note 8: In the year ended 31 March 2023, hosting and maintenance revenue was overstated by NR 69,516 hundreds since it was recognized upfront whereas the revenue should have been recognized over the term of the contract as per the requirements of Ind AS 115, Revenue from Contracts with Customers. This has now been appropriately adjusted, resulting in the reduction of revenue by INR 36,756 hundreds and recognition of deferred revenue / contract liability of INR 100,897 hundreds. Further for certain contracts, unbilled revenue / contract assets of INR 62,075 hundreds which was not recognized as of 31 March 2023 has now been recognized.

Note 9: The adjustment in deferred tax represents consequent deferred tax income/(expense) of (INR.12,626) hundreds and INR 50,855 hundreds as of 31 March 2023 and 01 April 2022, respectively, which was recognized consequent to the restatements of comparative financial information as described above in addition to correction of certain errors relating to the recognition of deferred tax asset/liability as of 31 March 2022 and 31 March 2023 respectively, which included consideration of inappropriate tax rates for certain balances. Further, for the year ended 31 March 2023, errors were identified while computing the provision of the income tax thereby increasing the current tax expenses by INR 5,617 hundreds.

Quest Informatics Private Limited

Notes to financial statements for the year ended 31 March 2024

(All amounts in hundred of ₹, except share data and as stated otherwise)

2.31 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company has not received any funds from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Material accounting policies (Note 1)

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

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

For and on behalf of the Board of Directors
of Quest Informatics Private Limited

Prince Sharma
Partner
Membership Number: 521307

Goutam Rungta
Director
DIN - 08599656

Shiv Kumar Walia
Director
DIN - 09492224

Gurugram, India
Date: 26 July 2024

Noida (UP), India
Date: 26 July 2024

London, UK
Date: 26 July 2024