

**AJIT M. GHELANI**  
**B.Com (Hons), F.C.A., GRAD.C.W.A.**

**CHINTAN A. GHELANI**  
**B.Com (Hons), F.C.A., C.S.**

**INDEPENDENT AUDITOR'S REPORT**

To  
**The Members of Phoenix Digital Technologies Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Phoenix Digital Technologies Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2023; the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its Loss, total comprehensive income, changes in equity and its cash flows for the period ended on that date.

**Basis for Opinion**

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

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

#### **Management's Responsibility for the Standalone Financial Statements**

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

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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.

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

In our opinion and to the best of our information and according to the explanations given to us, no remuneration is paid by the Company to its directors during the year.

- h) 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 as amended, in our opinion and to the best of our information and according to explanations given to us:

- i. The Company does not have any pending litigations as on the reporting date.
- ii. There were no material foreseeable losses in case of long-term contract, if any as at 31<sup>st</sup> March, 2023. The Company does not have derivative contracts as on 31<sup>st</sup> March, 2023.
- iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 15) to the financial statements);  
  
(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 15 to the financial statements); and  
  
(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.
- v. The Company has not declared or paid any dividend during the period.
- vi. As proviso rule Rule 3(1) of the companies (Accounts) Rules 2014 (as amended) which provides for maintaining books of accounts in accounting software having a feature of recording audit trail of each and every transaction creating an edit log of each change made in books of account along with the date when such changes were made and ensuring the audit trail cannot be disabled is applicable to the company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the companies (Audit and Auditors) Rules, 2014 (as amended) is currently not applicable.

**A.M.GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

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2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For A M. Ghelani & Company**  
**Chartered Accountants**  
Firm Registration No.: 103173W

  
**Chintan A. Ghelani**

Partner

Membership No.: 104391



ICAI UDIN: **23104391BQWTCU6697**

Place : Mumbai

Date : 20<sup>th</sup> May, 2023

**Annexure "A" to the Independent Auditor's Report**

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

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

We have audited the internal financial controls over financial reporting of **Phoenix Digital Technologies Private Limited**(the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

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

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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

## **A.M.GHELANI & COMPANY** **CHARTERED ACCOUNTANTS**

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of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For A M. Ghelani & Company**  
**Chartered Accountants**  
Firm Registration No.: 103173W

  
**Chintan A. Ghelani**  
Partner  
Membership No.: 104391



ICAI UDIN: 23104391BGWTCU6697

Place : Mumbai  
Dated : 20<sup>th</sup> May, 2023

**Annexure "B" to the Independent Auditor's Report**

**(Referred to in paragraph 2 under the heading Report on other legal and regulatory requirements of our report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of company's Property, Plant and Equipment and Intangible Assets:-
  - (a) The Company does not have any Property, Plant and Equipment and Intangible Assets and hence clause 3 (i)(a), (i)(b), (i)(c) and (i)(d) of the Order is not applicable to the Company.
  - (b) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - (b) 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. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3 (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order is not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has not been specified by the Central Government under subsection (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us, there are no statutory dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Goods and Services tax, Cess on account of any dispute, which have not been deposited.



**A.M.GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

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- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix) (a) of the Order is not applicable.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) 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.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) 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 private placement or preferential allotment of shares or fully or partly convertible debentures during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) No whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. In our opinion and based on our examination, the Company does not required to have an internal audit system as per provisions of the Companies Act.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. Hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs which are part of the group. We have not, however, separately evaluated


**A.M.GHELANI & COMPANY**  
**CHARTERED ACCOUNTANTS**

whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the order is not applicable to the company.

- xvii. The Company has incurred cash losses of Rs 47.43 thousand during the period covered by our audit.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Section 135 of the Companies Act is not applicable to the Company and accordingly the reporting under clause 3(xx) (a) and 3 (xx) (b) are not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For A M. Ghelani & Company**  
**Chartered Accountants**

Firm Registration No.: 103173W

  
**Chintan A. Ghelani**

Partner

Membership No.: 104391

ICAI UDIN: 23104391B9WTCU6697



Place : Mumbai

Dated : 20<sup>th</sup> May, 2023

**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

**1. Corporate Information:**

The Company is a limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at 2<sup>nd</sup> floor, R.R. Hosiery Building, off Dr. E Moses Road, Mahalaxmi, Mumbai (W), Mumbai – 400011.

The Company is mainly engaged in Business Support Services. The principle place of business is located at 2<sup>nd</sup> floor, R.R. Hosiery Building, off Dr. E Moses Road, Mahalaxmi, Mumbai (W), Mumbai – 400011.

For Company's principal shareholders, refer note no.6.

These financial statements were approved and adopted by board of directors of the Company in their meeting dated 20<sup>th</sup> May, 2023.

**2. Basis of Preparation of Financial Statement:**

The Financial Statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act and amendments, as applicable.

The significant accounting policies used in preparing financial statements are set out in Note 3 to the Financial Statements and are applied consistently to all the periods presented.

**NEW STANDARDS / AMENDMENTS NOTIFIED BUT NOT YET EFFECTIVE:**

Ministry of Corporate Affairs (MCA), on March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 1st April 2023. Following are few key amendments relevant to the Company:

- i. IND AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting – Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- ii. IND AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- iii. IND AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.
- iv. IND AS 12 – Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

**3. Summary of Significant Accounting Policies:**

**a) Functional and presentation of currency:**

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest in Thousand.

**b) Basis of measurement:**

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit plans – plan assets measured at fair value.
- Share based payments.

**c) Use of Estimates :**

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

**d) Property, Plant and Equipment:**

Capital work in progress, and all other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses, if any.

Historical cost includes expenditure that is directly attributable to the acquisition of the items. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

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



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

*Depreciation methods, estimated useful lives and residual value*

Depreciation is calculated using the written down value method to allocate their cost, net of their residual values, over their estimated useful lives as specified by Schedule II to the Companies Act; 2013. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Estimated useful lives of the assets are as follows:

Particulars	Estimated useful life (in years)
Air Conditioner	5 Years
Office Equipment	5 Years
Computers	3-6 Years
Furniture and Fixtures	10 Years
Electrical Equipment	10 years
Elevators	10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

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

**e) Intangible asset:**

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer Software acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

*Amortisation methods and periods*

Estimated useful lives of Intangible assets are considered as 5 years. Intangible assets are amortised over its useful life using the straight-line method. The amortisation period and the amortisation method for an intangible asset are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.





**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

**f) Impairment of Non – Financial Asset:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior account in period is reversed if there has been a change in the estimate of recoverable amount.

**g) Cash and cash equivalents:**

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**h) Foreign currency transactions:**

The transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary items denominated in foreign currency at the end of year are translated using the closing rate of exchange. Non- monetary items that are to be carried at historical cost are recorded using exchange rate prevailing on the date of transaction. Non- monetary items that are to be carried at fair value are recorded using exchange rate prevailing on the date of fair value measured. Any income or expenses on account of exchange difference either on settlement or on translation is recognised in the profit and loss account.

**i) Financial Instrument:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Classifications of financial instrument are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instrument.

*Financial Assets and investments*

**i) Initial recognition and measurement:**

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

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**ii) Subsequent recognition and measurement:**

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

- **Debt instrument at amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

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

- **Debt instrument at fair value through profit and loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

All equity instruments are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity securities are recognised in Other Comprehensive Income.

iii) **De-recognition:**

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass-through' arrangement and either;
  - a) The Company has transferred substantially all the risks and rewards of the assets.
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

***Financial Liabilities:***

**i) Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings.

**ii) Subsequent measurement:**

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

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and has designated upon initial measurement recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

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





**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

**iii) Financial Liabilities at amortised cost:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

**De - recognition:**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**j) Impairment of Financial asset:**

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables

**Trade Receivables**

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognise impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**k) Classification of assets and liabilities as current and non – current:**

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**l) Equity share capital:**

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

**m) Revenue Recognition:**

The company's revenue from contracts with customers is mainly from Business Support Services.

Revenue from Business Support Service is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

**Interest income**

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

**n) Employees benefits:**

*(i) Short-term Employee benefits:*

All employees' benefits payable wholly within 12 months rendering services are classified as Short Term obligations. Benefits such as salaries, wages, short term compensated absences, performance incentives, expected cost of bonus and ex-gratia are recognised during the period in which the employees renders related services.

*(ii) Long term Employee benefits:*

Leave encashment being a short term benefit is accounted for using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to profit and loss in the period in which they arise.

*(iii) Post-employment obligations*

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity, and
- (b) Defined contribution plans such as provident fund.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

*Gratuity obligations*

The cost of providing gratuity, a defined benefit plans, is determined using the projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in Other Comprehensive Income in the period in which they arise. Other costs are accounted in Statement of Profit and Loss.

The Company operates defined benefit plans for gratuity, which requires contributions to be made to a separately administered funds. These funds are managed by LIC trusts. These trusts have taken policies from an insurance company. These benefits are partially funded.

*Employee provident fund*

Contribution to provident fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

*(iv) Share-based payments*

Share-based compensation benefits are provided to employees via Employee Option Plan of The Phoenix Mills Ltd.

The fair value of options granted under the Employee Option Plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g., the entity's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- Including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

**q) Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that are incurred in connection with the borrowing of funds.

**r) Provisions and contingencies:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

**s) Income Taxes:**

*Current Income Tax:*

Current Income Tax liabilities (assets) are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulation are subject to interpretation and establishes provisions where appropriate.

*Deferred Tax:*

Deferred Tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.





**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

**t) Earnings per share:**

The Company's Earnings per Share ('EPS') is determined based on the net profit attributable to the equity shareholders' of the Company and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) for such instruments.

**4. Critical accounting estimates, assumptions and judgements:**

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognised in the financial statement:

**(a) Depreciation and useful lives of Property, Plant and Equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from previous estimates.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

**(b) Recoverability of trade receivable**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non- payment.

**(c) Defined Benefit plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**(d) Provisions:**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

**(e) Impairment of non-financial assets:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transaction are taken into account, if no such transactions can be identified, an appropriate valuation model is used.



**PHOENIX DIGITAL TECHNOLOGIES PRIVATE LIMITED.**  
**Notes on Financial Statements for the year ended 31<sup>st</sup> March 2023**

(f) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.





**Phoenix Digital Technologies Private Limited**  
(CIN : U72900MH2022PTC381605)  
Balance sheet as at 31st March, 2023

(₹ in Thousands)

Particulars	Notes	As at 31st March 2023
<b>ASSETS</b>		
Current assets		
Financial Assets		
Cash and Cash Equivalents	5	100.00
<b>TOTAL ASSETS</b>		<b>100.00</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	6	100.00
Other Equity	7	(47.43)
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Financial Liability		
Trade Payables	8	
Total outstanding, dues of Micro and Small Enterprises		-
Total outstanding, dues of creditors other than Micro and Small Enterprises		47.43
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>100.00</b>

See accompanying Significant Accounting Policies and Notes on Financial statement

1 to 19

As per our Report of even date  
For **A. M. Ghelani & Company**  
Chartered Accountants  
Firm Registration No.: 103173W

For and on behalf of the Board of Directors

  
**Chintan A. Ghelani**  
Partner  
Membership No.: 104391  
Place: Mumbai  
Date: 20th May, 2023





**Rajendra S Kalkar**  
Director  
(DIN-03269314)



**Mayank Lalpuria**  
Director  
(DIN-09700083)

UDIN : 23104391BGWTCU6697

## Phoenix Digital Technologies Private Limited

(CIN : U72900MH2022PTC381605)

## Statement of Profit and Loss for the period ended 31st March 2023

(₹ In Thousands)

Particulars	Notes	For the period ended 31st March 2023
Income:		-
Total Income		-
Expenses:		
Other Expenses	9	47.43
Total Expenses		47.43
(Loss) Before Tax		(47.43)
Tax expenses:		
Current tax		-
Total Tax expenses		-
( A ) (Loss) for the period after tax		(47.43)
(B) Other Comprehensive Income		-
Total Comprehensive Income for the Period (A+B)		(47.43)

## Earning Per Equity Share:

[Refer Note "15 "]

Basic EPS ( Face Value of Rs. 10/- each)

(4.74)

The accompanying Notes are an integral part of the financial statements

1 to 19

As per our Report of even date

For A. M. Ghelani &amp; Company

Chartered Accountants

Firm Registration No.: 103173W

Chintan A. Ghelani  
Partner

Membership No.: 104391

Place: Mumbai

Date: 20th May, 2023



For and on behalf of the Board of Directors

Rajendra S Kalkar  
Director  
(DIN-03269314)

Mayank Lalpuria  
Director  
(DIN-09700083)

UDIN : 23104591BQWTCU6697

**Phoenix Digital Technologies Private Limited**  
(CIN : U72900MH2022PTC381605)  
**Cash Flow Statement for the period ended 31st March, 2023**

(₹ in Thousands)

Sr. No.	Particulars	For the period ended 31st March 2023
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
	Loss before Taxation	(47.43)
	<u>Adjusted for :</u>	
	Loss before Working Capital Changes	(47.43)
	<u>Changes in Working Capital :</u>	
	Increase in Trade and other payables	47.43
		-
	Less: Taxes (Paid)/refunds received	-
	Net Cash generated from/(Used in) Operating Activities	-
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
	Net Cash generated from/(Used in) Investing Activities	-
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
	Net Proceeds from issue of Equity shares	100.00
	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>100.00</b>
	<b>Net Increase in Cash and Cash Equivalents</b>	<b>100.00</b>
	<b>Opening Balance of Cash and Cash Equivalents</b>	<b>-</b>
	<b>Closing Balance of Cash and Cash Equivalents</b>	<b>100.00</b>

**Notes:-**

- a Cash and Cash Equivalents include :
- |                     |               |
|---------------------|---------------|
| Balances with banks | 100.00        |
| Cash on hand        | -             |
| <b>Total</b>        | <b>100.00</b> |
- b Cash flow from Operating activities are prepared using Indirect method as prescribed in IND AS 7 cash flow statement specified under Section 133 of Companies Act 2013.

As per our Report of even date  
For **A. M. Ghelani & Company**  
Chartered Accountants  
Firm Registration No.: 103173W

  
**Chintan A. Ghelani**

Partner  
Membership No.: 104391  
Place: Mumbai  
Date: 20th May, 2023



For and on behalf of the Board of Directors





**Rajendra S kalker**  
Director  
(DIN-08713678)



**Mayank Lalpuria**  
Director  
(DIN-09700083)

UDIN: 23104391B9WTCU6697

# Phoenix Digital Technologies Private Limited

Statement of changes in equity for the period ended 31st March, 2023

Equity share capital

(₹ in Thousands)

Particulars	Opening balance	Changes in equity share capital during the period	Closing balance as at 31st March, 2023
10,000 Equity Shares of Rs.10/- each	-	100.00	100.00

Other Equity

Particulars	Retained Earnings	Total
Opening Balance	-	-
Loss For the Period	(47.43)	(47.43)
Balances at 31st March, 2023	(47.43)	(47.43)

The accompanying Notes are an integral part of the financial statements

1 to 19

As per our Report of even date

For A. M. Ghelani & Company

Chartered Accountants

Firm Registration No.: 103173W

For and on behalf of the Board of Directors

Chintan A. Ghelani

Partner

Membership No.: 104391

Place: Mumbai

Date: 20th May, 2023



Rajendra S kalkar  
Director  
(DIN-08713678)

Mayank Lalpuria  
Director  
(DIN-09700083)

UDIN: 231043910616TCU6697

# Phoenix Digital Technologies Private Limited

(CIN : U72900MH2022PTC381605)

Notes to financial statements for the period ended 31st March, 2023

(₹ In Thousands)

Notes	Particulars	As at 31st March 2023
5	<b>Cash &amp; Cash Equivalents</b> Balances with banks: In current account	100.00 <b>100.00</b>
6	<b>Equity Share Capital</b> Authorised 10,000 Equity Shares of Rs.10/- each	100.00
	Issued, subscribed and fully paid up 10,000 Equity Shares of Rs.10/- each fully paid up	100.00 <b>100.00</b>
	<b>a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period</b> <u>Equity Shares</u> Shares outstanding at the beginning the year Shares Issued during the period Shares bought back during the period Shares outstanding at the end of the period	- 10,000 - <b>10,000</b>
	<b>b) Detail of shares held by Holding Company</b>	<b>As at 31st March 2023</b>
	<b>Name of shareholder</b>	<b>No of shares held</b>
	The Phoenix Mills Limited	10,000
		<b>% of Holding</b> 100%
	<b>c) Details of shareholders holding more than 5% Shares in the company</b>	<b>As at 31st March 2023</b>
	<u>Equity Shares of Rs. 10 each fully paid</u>	<b>Number of shares</b>
	The Phoenix Mills Limited	10,000
		<b>% of Holdings</b> 100
	<b>d) Shares held by promoters as at 31st March 2023</b>	<b>No of Shares</b>
	<b>Name of Promoter</b>	<b>% of total shares</b>
	The Phoenix Mills Limited	10,000
		100
	e) The company has only one class equity shares having face value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. Equity shares holders are also entitled to dividend as and when proposed by the Board of Directors and approved by Share holders in Annual General Meeting. In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the shareholders. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts which shall be in proportion to the number of shares held by the shareholders.	



# Phoenix Digital Technologies Private Limited

(CIN : U72900MH2022PTC381605)

Notes to financial statements for the period ended 31st March, 2023

(₹ in Thousands)

Notes	Particulars	As at 31st March 2023
<b>7</b>	<b>Other Equity</b>	
	<b>Retained Earning</b>	
	<b>Surplus/(Deficit) in the Statement of Profit and Loss</b>	
	As at the Beginning of the period	-
	(+) Net Loss for the period	(47.43)
	As at the End of the period	(47.43)
		(47.43)
	<b>Nature and Purpose of Reserve</b>	
	<b>Retained Earning :-</b>	
	Retained earnings are the profits that the company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.	
<b>8</b>	<b>Trade Payables</b>	
	Total outstanding, dues of Micro and Small Enterprises ( Refer Note 17)	-
	Total outstanding, dues of creditors other than Micro and Small Enterprises	47.43
		47.43
	# There are no Micro and Small Enterprises, to whom the company owe dues, for more than 45days during the period as at March 31,2023. The above information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.	
	The disclosure pursuant to the said Act is as under	
	a. Principal amount due to Supplier under MSMED Act, 2006	-
	b. Interest accrued and due on the above amount,unpaid	-
	c. Payment made beyond the appointed day during the Period	-
	d. Interest paid	-
	e. Interest due and payable for the period of delay	-
	f. Interest remaining due and payable in succeeding Period	-



# Phoenix Digital Technologies Private Limited

(CIN : U72900MH2022PTC381605)

Notes to financial statements for the period ended 31st March 2023

(₹ in Thousands)

Notes	Particulars	For the period ended 31st March 2023
9	<b>Other Expenses</b>	
	<u>Payment to the Auditors</u>	
	Auditors Remuneration	17.70
	Professional Fees	22.43
	Filing Fees	7.20
	Stamp Duty Charges	0.10
		<b>47.43</b>





**10 Fair Value of Financial assets and Liabilities:**

Set out below is the comparison by class of carrying amounts and fair value of Company's financial Instruments that are recognised in the financial statements.

Particulars	As at March 31, 2023	
	Carrying Value	Fair Value
Financial assets designated at amortised cost		
Cash and Cash Equivalents	100.00	100.00
<b>Total</b>	<b>100.00</b>	<b>100.00</b>
Financial liabilities designated at amortized cost		
Trade and other payables	47.43	47.43
<b>Total</b>	<b>47.43</b>	<b>47.43</b>

**Fair valuation techniques:**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following methods and assumptions were used to estimate the fair values

**Fair Value hierarchy:**

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below:

Level 1: Quoted prices / published NVA (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market. It is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**11 Financial risk Management:**

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management has established a risk management policy to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policy is reviewed periodically to reflect changes in market conditions and the Company's activities. It is the Company's policy not to acquire or issue derivative financial instrument for trading or speculative purposes. The Company's senior management reviews and agrees policies for managing each of these risks, which are summarised below.

• **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. There are no financial instruments as at 31 March 2023 affected by market risk.

Foreign currency risk

The Company is not exposed to foreign exchange risk as at the respective reporting dates.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company doesn't have any fixed rate borrowings as on 31 March, 2023.

Commodity and Other price risk

The Company is not exposed to the commodity and other price risk.

• **Credit Risk**

The Company is newly incorporated on 27th April 2022 and they are yet to start its operations and so there are no trade receivables and therefore the Company is not exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, mutual funds and financial institutions and other financial instruments.





Trade and other receivables:

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers.

Cash and cash equivalents on other investments

The Company is exposed to counter party risk relating to medium term deposits with banks

The Company considers factors such as track record, size of the Institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.

Exposure to credit risk

The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2023 is as follows:

	As at 31/03/2023
<u>Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):</u>	
Cash and cash equivalents	100.00

Cash and Cash equivalent are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

● **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

As at 31 March 2023, the Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements and

There no Borrowings as on 31 March 2023 as disclosed in Balance sheet.

Particulars	As at March 31, 2023					Total
	Carrying Amount	On Demand	Less than 6 months	6- 12 months	>1 years	
Trade and other payables	47.43	47.43	-	-	-	47.43

**Capital management**

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, less cash and short term deposits.

Particulars	(₹ In Thousands) As At 31-03-2023
Loans and Borrowings	-
Less: Cash and cash equivalents	100.00
Net Debt	(100.00)
Total Capital	52.57
Capital+Net Debt	(47.43)
Gearing Ratio	-



**12 Related party Disclosure:**

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exists and with whom transactions have taken place during reported periods, are given as under :-

## a) Related Party with whom transactions have taken place and relationships:

	Name of the party	Relationship
1	The Phoenix Mills Limited	Holding Company
2	Marketcity Resources Private Limited	Fellow Subsidiary

## b) Transactions during the Period (₹ in Thousands)

Sr No.	Nature of transactions	For the Period ended on 31st March, 2023
1	Professional Fees	
	Marketcity Resources Private Limited	10.00
2	Reimbursement of Expenses	
	The Phoenix Mills Limited	0.10

## c) Balances as at (₹ in Thousands)

Sr No.	Nature of transactions	31st March, 2023
1	Trade Payable	
	Marketcity Resources Private Limited	10.00
2	Other Payable	
	The Phoenix Mills Limited	0.10

**13 Segment reporting:**

The Company is mainly engaged in Investment advisory, Mall Management & Project Development. Considering the nature of the company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard (IND AS)108 –'Segment Reporting'

**14 Earning per share:**

(₹ in Thousands except Number of Share)

	Particulars	For the Period ended on 31st March, 2023
i)	Net profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(47.43)
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	10,000
iii)	Basic Earning per share (Rs.)	(4.74)
v)	Face value per equity share (Rs.)	10.00



**Phoenix Digital Technologies Private Limited**  
**Notes on Financial Statements for period ended March 31, 2023**

**15 Additional regulatory information required by Schedule III**

**Details of benami property held -**

No proceedings have been initiated on or are pending against the company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**Borrowing secured against current assets**

The company does not have borrowings from banks and financial institutions on the basis of security of current assets.

**Wilful defaulter**

Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**Relationship with struck off companies**

The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**Compliance with number of layers of companies**

The company has complied with the number of layers prescribed under the Companies Act, 2013.

**Compliance with approved scheme(s) of arrangements**

The company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**Utilisation of borrowed funds and share premium**

The company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. 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

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**Details of crypto currency or virtual currency**

The company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**Valuation of PP&E, intangible asset and investment property**

The company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(₹ in Thousands)

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for variance
Current Ratio	100.00	47.43	2.11	-	Not Applicable	-
Return on Equity Ratio	(47.43)	26.28	(1.80)	-	Not Applicable	-

Below ratios are not applicable

Debt Equity Ratio, Debt Service Coverage Ratio, Inventory- Stock Turnover ratio, Trade Receivables turnover ratio, Trade payables turnover ratio, Net capital turnover ratio, Net profit ratio, Return on Investment

**17 Trade payable ageing as on 31st March 2023**

Particular	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
(i) MSME	-	-	-	-	-
(ii) Others	29.73	-	-	-	29.73
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
(v) Unbilled	17.70	-	-	-	17.70

**18 The Company has no capital commitments and contingent liabilities as at 31 March 2023.**

**19 The Company is incorporated on 27th April 2022 and these are the first financial statements of the company. The Statement of Profit & Loss and the respective notes are for the period from 27th April to 31st March, 2023. Accordingly, no comparative information available for the previous accounting year.**

**For A. M. Ghelani & Company**

Chartered Accountants

Firm Registration No.: 103173W

Chintan A. Ghelani

Partner

Membership No.: 104391

Place: Mumbai

Date : 20th May, 2023

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

Rajendra S Kalkar

Director

(DIN-03269314)

Mayank Lalpuria

Director

(DIN-09700083)

UDIN : 23104391B4WTCU6697