Deloitte Haskins & Sells LLP

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INDEPENDENT AUDITOR'S REPORT

To The Members of Smartworks Coworking Spaces Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Smartworks Coworking Spaces Private Limited** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2023, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred as "Standalone Financials 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 loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's reports 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.

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Responsibilities of Management and Those Charged with Governance 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 including other comprehensive income, cash flows and changes in equity 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 financial statement 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

As 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 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 Standalone 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.

- 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.

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- 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 Standalone 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 Standalone 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.

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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, the Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   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 with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report express an qualified opinion on the Company's internal financial controls with reference to Standalone Financial Statements for the reasons stated therein.

   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, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

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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 the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements - Refer Note 33 to the Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 44(vii) to the Standalone Financial Statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of it's knowledge and belief, as disclosed in the note 44(iii) to the Standalone 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.

(b) The Management has represented, that, to the best of it's knowledge and belief, as disclosed in the note 44(iv) to the Standalone 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 Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) 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 (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Nilesh

Nilesh H. Lahoti
Partner
(Membership No. 130054)
(UDIN: 23130054BGYZEY4507)

Deloitte Haskins & Sells LLP
Chartered Accountants

Place: Gurugram
Date: September 29, 2023

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Smartworks Coworking Spaces Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone 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. 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone 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 standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 standalone 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 qualified audit opinion on the Company's internal financial controls with reference to standalone financial statements.

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Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company's internal financial controls with reference to standalone financial statements as at March 31, 2023:

The Company did not have an appropriate internal control with reference to standalone financial statement for property, plant and equipment with regard to (a) identification and recording of assets discarded on account of properties vacated by the Company and termination of lease by customers and (b) determining and recording the discrepancies in individual items of assets between property plant and equipment register and physical verification report. This could potentially result in material misstatements in the Company's property, plant and equipment, depreciation and other expense account balances.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weakness described in Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023, based on the internal control with reference to standalone 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.

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We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2023, and the material weakness does not affect our opinion on the said standalone financial statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Nilesh H. Lahoti
Partner
(Membership No. 130054)
(UDIN: 23130054BGYZEY4507)

Place: Gurugram
Date: September 29, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that

(i) In respect of Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of right of use assets except in the case of certain Property, Plant and Equipment, where the Company is in the process of updating the records for situation and location of these assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company, certain assets which due to their nature or location are not verifiable, has a program of verification of property, plant and equipment, and right-of-use assets so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and right of use assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanation given to us, material discrepancies were noticed on such physical verification and the said material discrepancies aggregating to Rs. 19.32 Mn in the carrying value of certain category of Property, Plant and Equipment have been properly dealt with in the books of accounts.

(c) The Company does not have any immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) and hence reporting under clause of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment, right of use assets and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 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 (ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the statements (comprising statements on ageing analysis of the debtors) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.

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(iii) The Company has granted loans, unsecured, to companies or any other parties during the year, in respect of which:

(a) The Company has provided loans (excluding loans to employees), during the year and details of which are given below:

	Amount in Rs. million
A. Aggregate amount granted / provided during the year to subsidiaries	67.72
B. Balance outstanding as at balance sheet date	69.33

(b) The terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.

(c) The Company has granted loans which are payable on demand. During the year the Company has not demanded such loans. Having regard to the fact that the repayment of principal or payment of interest, wherever applicable, has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date as the Company has not demanded such loans.

(e) None of the loans granted by the Company have fallen due during the year as the Company has not demanded such loans.

(f) Above mentioned loans in clause (iii) (a) granted by the Company are repayable on demand.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though there has been a delay in respect of remittance of Goods and Service tax, Provident Fund and Income Tax.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of custom, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) There are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2023.

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

(ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary.

(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 (x)(a) of the Order is not applicable.

(b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

(xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, 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.

(B) The Company is a private company and hence the provisions of section 177 of the Act do not apply to the Company, accordingly clause (xi) (c) of the Order is not applicable.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(c) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 31, 2023.

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(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 and hence provisions of section 192 of the Companies Act, 2013 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. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

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

(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 realization 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 Company has incurred losses during the three immediately preceding financial years and hence, it is not required to spend any money under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W / W-100018)

Nilesh H. Lahoti
Partner
(Membership No. 0130054)
(UDIN: 23130054BGYZEY4507)

Deloitte Haskins & Sells LLP
Chartered Accountants

Place: Gurugram
Date: September 29, 2023

Smartworks Coworking Spaces Private Limited
(All amounts are in millions of Indian Rupees, unless stated otherwise)

Standalone Balance Sheet as at March 31, 2023

	Particulars	Notes	As at March 31, 2023	As at March 31, 2022
	ASSETS			
1	**Non-current assets**			
	(a) Property plant and equipment	4	8,291.83	3,966.57
	(b) Right-of-use assets	5	28,947.10	19,307.48
	(c) Capital work-in-progress	6	418.74	868.59
	(d) Intangible assets	7	4.36	5.98
	(e) Intangible assets under development	8	4.61	-
	(f) Investment in subsidiaries	9	0.30	0.20
	(g) Financial assets			
	(i) Other financial assets	10	1,492.93	1,270.20
	(h) Deferred tax assets (net)	11	995.20	644.19
	(i) Income tax assets (net)	12	216.57	179.50
	(j) Other non-current assets	13	652.82	380.07
			41,024.46	**26,622.78**
2	**Current assets**			
	(a) Financial assets			
	(i) Trade receivables	14	141.30	105.02
	(ii) Cash and cash equivalents	15	1,180.35	222.66
	(iii) Other bank balances	16	954.79	796.77
	(iv) Loans	17	69.33	3.89
	(v) Other financial assets	10	141.82	112.50
	(b) Other current assets	13	1,203.29	732.74
			3,690.88	**1,973.58**
1+2	**TOTAL**		**44,715.34**	**28,596.36**
	EQUITY AND LIABILITIES			
3	**Equity**			
	(a) Equity share capital	18	776.91	771.96
	(b) Other equity	19	(447.92)	370.68
	Total equity		**328.99**	**1,142.64**
	Liabilities			
4	**Non-current liabilities**			
	(a) Financial liabilities			
	(i) Lease liabilities		31,400.62	20,505.92
	(ii) Borrowings	20	2,998.29	1,147.10
	(iii) Other financial liabilities	23	1,886.50	808.62
	(b) Provisions	21	43.76	27.66
	(c) Other non-current liabilities	24	272.88	171.23
			36,602.05	**22,660.53**
5	**Current liabilities**			
	(a) Financial liabilities			
	(i) Lease liabilities		2,575.60	1,687.24
	(ii) Borrowings	20	2,155.60	1,328.93
	(iii) Trade payables	22		
	- total outstanding dues of micro enterprises and small enterprises		359.10	101.81
	- total outstanding dues of other than micro enterprises and small enterprises		623.19	350.01
	(iv) Other financial liabilities	23	1,731.76	1,179.14
	(b) Provisions	21	5.96	3.30
	(c) Other current liabilities	24	333.09	142.76
			7,784.30	**4,793.19**
3+4+5	**TOTAL**		**44,715.34**	**28,596.36**

See accompanying notes forming part of the Standalone Financial Statements (1-44)

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration Number: 117366 W/W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054
Place: Gurgaon
Date: September 29, 2023

Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board of Directors of Smartworks Coworking Spaces Private Limited

Smartworks Coworking Spaces Private Limited

Neetish Sarda
Managing Director
DIN: 07262894
Place: Gurgaon
Date: September 29, 2023

Harsh Binani
Wholetime Director
DIN: 07717396
Place: Gurgaon
Date: September 29, 2023

Punam Dargar
Company Secretary
Place: Gurgaon
Date: September 29, 2023

Smartworks Coworking Spaces Private Limited
(All amounts are in millions of Indian Rupees, except per share data)

Standalone Statement of Profit and Loss for the year ended March 31, 2023

	Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
	REVENUE			
1	Revenue from operations	25	7,097.10	3,602.41
2	Other income	26	331.52	339.71
3	**Total revenue (1+2)**		**7,428.62**	**3,942.12**
	EXPENSES			
	(a) Operating expenses	27	2,180.84	1,081.79
	(b) Employee benefits expense	28	404.44	255.59
	(c) Finance costs	29	2,366.64	1,223.55
	(d) Depreciation and amortisation expenses	30	3,561.62	2,119.07
	(e) Other expenses	31	264.06	201.84
4	**Total expenses**		**8,777.60**	**4,881.84**
5	**Loss before tax (3-4)**		**(1,348.98)**	**(939.72)**
	Tax Expense/ (Credit)			
	(a) Current tax	11	-	-
	(b) Deferred tax	11	(351.10)	(242.35)
6	**Total Tax Expense/ (Credit)**		**(351.10)**	**(242.35)**
7	**Loss for the year (5-6)**		**(997.88)**	**(697.37)**
8	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to profit or loss			
	- Re-measurement of the defined benefit plans		0.36	(1.37)
	- Tax related to above item	11	(0.09)	0.36
	Total other comprehensive (loss) /income for the year (net of tax)		0.27	(1.01)
9	**Total comprehensive loss for the year (7+8)**		**(997.61)**	**(698.38)**
	(Loss)/Earning per share (Face value of Rs. 10 each)			
	Basic and diluted	32	(10.44)	(7.31)

See accompanying notes forming part of the Standalone Financial Statements (1-44)

As per our report of even date

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Smartworks Coworking Spaces Private Limited
(All amounts are in millions of Indian Rupees, unless stated otherwise)

Standalone Cash Flow Statement for the year ended March 31, 2023

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities:			
Loss before tax		(1,348.98)	(939.72)
Adjustments for:			
- Depreciation and amortization expenses		3,561.62	2,119.07
- Finance Cost		2,365.17	1,223.55
- Revenue equalization reserve		(228.77)	(97.36)
- Interest income		(215.37)	(112.41)
- Liability/provision no longer required written back		(36.33)	(17.33)
- COVID-19 related rent concessions (negative variable lease payments)		-	44.42
- Lease termination gain		(68.89)	(2.85)
- Property, plant & equipments written off		62.63	23.34
- (Profit)/loss on sale of property, plant & equipment		(1.42)	28.84
- Others		13.72	12.29
Operating profit before working capital changes		4,103.38	2,281.84
Changes in working capital			
- Trade receivables		(38.24)	(35.41)
- Trade payables		534.55	108.42
- Provisions		(0.00)	0.10
- Other financial and non-financial liabilities		1,564.35	910.70
- Other financial and non-financial assets		(845.98)	(1,077.01)
Cash generated from operating activities before tax		**5,318.06**	**2,188.64**
Income tax refund / (paid) (net)		(25.80)	(45.98)
Net cash flow generated from operating activities	**(A)**	**5,292.26**	**2,142.66**
Cash flow from investing activities			
- Purchase of property plant and equipments, intangible assets and capital work-in-progress		(3,159.62)	(1,417.71)
- Sale of property plant and equipments (including sale and lease-back)		282.61	325.06
- Investment in subsidiary		(0.10)	-
- Investment in bank deposits not considered as cash and cash equivalents		(157.53)	119.14
- Loan given to subsidiaries		(67.73)	(3.89)
- Repayment of loan by subsidiaries		3.67	-
- Interest received (including interest from subsidiaries)		56.62	50.00
Net cash used in investing activities	**(B)**	**(3,042.08)**	**(927.40)**
Cash flow from financing activities			
- Proceeds from long term borrowings		3,718.98	779.67
- Repayment of long term borrowings		(1,145.01)	(151.19)
- Proceeds from short term borrowings		320.91	557.20
- Repayment of short term borrowings		(587.94)	(105.24)
- Proceeds from issue of equity shares and share warrants (net of expenses)		183.96	-
- Interest paid		(282.00)	(1,644.00)
- Other borrowing cost paid		(38.41)	(9.74)
- Repayment of lease liabilities		(3,876.38)	(565.48)
Net cash flow from financing activities	**(C)**	**(1,705.89)**	**(1,138.78)**
Net increase / (decrease) in cash and cash equivalents	**(A+B+C)**	**544.29**	**76.48**
Cash and cash equivalents at the beginning of the year		(322.73)	(399.21)
Cash and cash equivalents at the end of the year (refer note 15.2)		**221.56**	**(322.73)**

The above Cash Flow Statement has been prepared under the 'indirect method' as set out in Ind AS 7 'Statement of Cash Flows'.

See accompanying notes forming part of the Standalone Financial Statements (1-44)

As per our report of even date

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration Number: 117366 W/W-100018)

Nilesh H. Lahoti
Partner
Membership No: 130054
Place: Gurgaon
Date: September 29, 2023

For and on behalf of the Board of Directors of Smartworks Coworking Spaces Private Limited

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Company Secretary
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Date: September 29, 2023

Smartworks Coworking Spaces Private Limited
(All amounts are in millions of Indian Rupees, unless stated otherwise)

Standalone Statement for Changes in the Equity for the year ended March 31, 2023

a. Equity share capital

Particulars	Amount
As at April 1, 2021	**771.96**
Changes during the year	-
As at March 31, 2022	**771.96**
Changes during the year	4.95
As at March 31, 2023	**776.91**

b. Other equity

Particulars	Instruments classified as equity (Refer note 18)	Reserve and surplus		Money received against share warrants	Total
		Security premium	Retained earnings		
As of April 1, 2021	**183.80**	**2,032.30**	**(1,147.04)**	-	**1,069.06**
Loss for the year	-	-	(697.37)	-	(697.37)
Re-measurement of defined benefit plan (net of tax)	-	-	(1.01)	-	(1.01)
As at March 31, 2022	**183.80**	**2,032.30**	**(1,845.42)**	-	**370.68**
Received on issue of share warrants convertible into equity shares	-	176.88	-	2.13	179.01
Loss for the year	-	-	(997.88)	-	(997.88)
Re-measurement of defined benefit plan (net of tax)	-	-	0.27	-	0.27
As at March 31, 2023	**183.80**	**2,209.18**	**(2,843.03)**	**2.13**	**(447.92)**

See accompanying notes forming part of the Standalone Financial Statements (1-44)

As per our report of even date
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Nilesh H. Lahoti
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Membership No: 130054
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For and on behalf of the Board of Directors of
Smartworks Coworking Spaces Private Limited

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Company Secretary
Place: Gurgaon
Date: September 29, 2023

1. CORPORATE INFORMATION

The Company was incorporated as "Smart Work Business Centre Private Limited" (CIN : U74900DL2015PTC310656) ("the Company") in the state of West Bengal on December 17, 2015. Registered office of the Company was shifted to Unit No. 305-310, Plot No. 9, 10 & 11, Vardhman Trade Centre, Nehru Place, New Delhi with effect from December 30, 2016. Later, the name was changed to Smartworks Coworking Spaces Private Limited on December 20, 2018. The Company is engaged in the business of developing and licensing fully serviced office spaces.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation and presentation

These Ind AS Standalone Financial Statements ("Financial Statements") have been prepared to comply in all material respects with the Indian Accounting Standards ('Ind AS') as notified by the Ministry of Corporate Affairs ('MCA') under section 133 of the Companies Act, 2013 ('Act'), read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India.

The Financial Statements are approved for issue by the Company's Board of Directors on September 29, 2023.

The Financial Statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and Division II of Schedule III (as amended) to the Act to the extent applicable. Further, for the purpose of clarity, various items are aggregated in the Balance Sheet ('Balance Sheet'), Statement of Profit and Loss ('Statement of Profit and Loss'), Statement of Cash Flows ('Statement of Cash Flows') and Statement of Changes in Equity ('Statement of Changes in Equity'). Nonetheless, these items are disaggregated separately in the notes to the Financial Statements, where applicable or required.

All the amounts included in the Financial Statements are reported in millions of Indian Rupee ('Rupee' or '₹') and are rounded off to the nearest million, except per share data and unless stated otherwise. Further, due to rounding off, certain amounts are appearing as '0'.

The preparation of the said Financial Statements requires the use of certain critical accounting estimates and judgements. It also requires the management to exercise judgement in the process of applying the Company's accounting policies. The areas where estimates are significant to the Financial Statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 3.

The accounting policies, as set out in the following paragraphs of this note, have been consistently applied, by the Company, to all the periods presented in the said Financial Statements, except in case of adoption of any new standards and amendments during the year.

To provide more reliable and relevant information about the effect of certain items in the Balance Sheet and Statement of Profit and Loss, the Company has changed the classification of certain items.

The Financial Statements have been prepared on the accrual and going concern basis, and the historical cost convention except where the Ind AS requires a different accounting treatment.

Fair value measurement
Fair value is the price at the measurement date, at which an asset can be sold or a liability can be transferred, in an orderly transaction between market participants. The Company's accounting policies require, measurement of certain financial instruments at fair values (either on a recurring or non-recurring basis).

The Company is required to classify the fair valuation method of the financial / non-financial assets and liabilities, either measured or disclosed at fair value in the Financial Statements, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurement). Accordingly, the Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.2. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes
The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Chartered Accountants
Deloitte Haskins & Sells LLP

Smartworks Coworking Spaces Private Limited

2.3. Functional and Presentation Currency

The Financial Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

2.4. Use of estimates and judgement

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. (Refer Note. 3)

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

2.5 Revenue recognition

2.5.1. Operating Revenue

Service revenue includes rental revenue for use of co-working space and related ancillary services.

Revenue from leased out co-working space under an operating lease is recognized on a straight line basis over the non- cancellable period ('Lease Term for Revenue'), except where there is an uncertainty of ultimate collection. After Lease Term for Revenue or where there is no non-cancellable period, rental revenue is recognized as and when services are rendered on a monthly basis as per the contractual terms prescribed under agreement entered with customers. Initial direct costs, such as commissions, incurred by the Company in negotiating and arranging a lease are deferred and allocated to income over the Lease Term for Revenue, which has been presented as 'Prepayments' in Balance Sheet.

Revenue from contracts with customers for ancillary services (such as parking charges, internet fees, electricity charges etc.) is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Unbilled revenue represents revenues recognized after the last invoice raised to customer to the period end. These are billed in subsequent periods based on the prices specified in the agreement with the customers. The Company presents service revenue net of indirect taxes in its Standalone Statement of Profit and Loss.

2.5.2. Other income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognized in the Standalone Statement of Profit and Loss

2.6 Leases

2.6.1 Company as a lessee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates that commensurate with the lease term. Subsequently, lease liabilities are measured at amortized cost using the effective interest method and remeasured to reflect any reassessment of options or lease modifications, or to reflect changes in lease payments, with a corresponding adjustment to the ROU asset or Statement of Profit and Loss if the ROU asset has been reduced to zero.

Asset retirement obligation is determined at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular right-of-use asset on initial recognition.

2.6.2 Company as a lessor

Refer Note 2.5.1

2.7 Foreign currency transactions and balances

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise.

2.8 Employee benefits

Company's employee benefit mainly includes wages, salaries, bonuses, defined contribution absences and defined benefit plans. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees. Short term employee benefits are recognised in Statement of Profit and Loss at undiscounted amounts during the period in which the related services are rendered.

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Smartworks Coworking Spaces Private Limited HB

2.8.1 Short-term benefits

Liabilities for salaries, including non-monetary benefits (such as compensated absences) that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.8.2 Long term benefits

Compensated absences

Compensated absences in form of earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

2.8.3 Post-employment obligations

Defined benefit plans

The Company has defined benefit plan namely gratuity. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the standalone statement of changes in equity and in the standalone balance sheet.

The defined benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plans

The Company has defined contribution plans for post-employment benefit namely the provident fund and employee state insurance scheme. The Company's contribution thereto is charged to the statement of profit and loss every year. The Company has no further obligations under these plans beyond its periodic contributions.

2.9 Finance Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

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

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.10 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

2.10.1 Current tax

The current tax is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates applicable for the respective period.

2.10.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their tax bases. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and incurred tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.10.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deloitte Haskins & Sells LLP Chartered Accountants

Smartworks Coworking Spaces Private Limited

2.11 Property, plant and equipment ('PPE')

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises of the purchase price including freight and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use (refer note 2.9)

Cost incurred for expected fit-out period is capitalised as part of leasehold improvement, as this cost is attributable to bring the asset in necessary condition for its intended use. (Refer note 3)

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 derecognized when replaced. The other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

2.11.1 Depreciation method, estimated useful lives and residual value

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Residual value is estimated to be five percent of total cost of asset except for leasehold improvement and electrical equipment classes of assets where it is estimated to be nil.

Depreciation has been provided in accordance with useful lives assessed lower than the life prescribed in Schedule II to the Companies Act, 2013, taking into account the nature of the asset, the estimated usage of the asset, the management's estimates of the useful lives of the various categories of assets are as follows:

Categories	Useful life
Electrical installations and equipment	10
Plant and equipment	15
Furniture and fixtures	3-10
Vehicles	8-10
Computer and data processing unit	3-6
Office equipment	5

Leasehold improvement is depreciated over the duration of lease term for rental expense or useful life of 10 years whichever is lower.
The assets' residual values and useful lives are reviewed and adjusted, if applicable, at the end of each reporting period.

2.11.2 Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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

2.11.3 Capital Work in Progress

Capital work in progress is stated at cost less impairment losses. Such expenditure includes the cost of materials and goods purchased or acquired with the intention of creating any capital asset and the project site and cost incurred for expected fit-out period which is attributed to the PPE.

2.12 Intangible assets

2.12.1 Initial measurement

Software (both purchased and internally generated) which is not an integral part of related hardware, is treated as intangible asset and stated at cost on initial recognition and subsequently measured at cost less accumulated amortization and accumulated impairment loss, if any.

2.12.2 Internally-generated intangible assets

Expenditure on research activities for internally generated intangible assets is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure on direct salary incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

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2.12.3 Subsequent measurement

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit and Loss.

2.12.4 Derecognition policy

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

2.12.5 Amortisation method and periods

Intangible assets i.e. software are amortised on a straight line basis over its estimated useful life i.e. 3 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Asset retirement obligations (ARO) are provided for those operating lease arrangements where the Company has a binding obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease.

Asset retirement obligation are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted using increamental borrowing rate that reflects the risks specific to the site restoration obligation. The unwinding of the discount is expensed as incurred and recognized in the Standalone Statement of Profit and Loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

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.

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2.15 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

2.16 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.16.1 Classification of financial assets

The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. Investments in debt mutual funds are measured at fair value through profit or loss as per the business model and contractual cash flow test.

2.16.2 Impairment of financial assets

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for trade receivables that do not constitute a financing transaction. For other financial assets carried at amortised cost the Company assesses, on a forward looking basis, the expected credit losses associated with such assets and recognises the same in profit or loss.

2.16.3 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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, and book overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16.4 Derecognition of financial assets

The Company derecognises financial assets in accordance with the principles of Ind AS 109 which usually coincides receipt of payment or write off of the financial asset.

2.17 Financial liabilities and equity instruments

2.17.1 Classification of debt or equity

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

2.17.3 Financial liabilities

Classification : The Company classifies all financial liabilities as subsequently measured at amortised cost.

Initial recognition and measurement : 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.

Loans and borrowings : 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 the Standalone Statement of Profit and Loss when the liabilities are derecognised. Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

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2.17.4 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in profit and loss account.

2.17.5 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) attributable to the shareholders of the company by the weighted average number of equity shares outstanding during the year.

Equity shares which are issuable upon the satisfaction of certain conditions resulting from contractual arrangements / shareholder agreement are considered outstanding and included in the computation of basic earnings per share from the date when all necessary conditions under the contract have been satisfied as on balance sheet date.

Diluted EPS is computed by adjusting, the profit/ (loss) for the year attributable to the shareholders and the weighted average number of shares considered for deriving Basic EPS, for the effects of all the shares that could have been issued upon conversion of all dilutive potential shares. The dilutive potential shares are adjusted for the proceeds receivable had the shares been actually issued at fair value. Further, the dilutive potential shares are deemed converted as at beginning of the period, unless issued at a later date during the period.

2.19 Investments

Long-term investments (investment in subsidiaries) are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

On disposal of an investment, the difference between the carrying amount and the disposal proceeds, net of expenses, is recognised in the Standalone Statement of Profit and Loss. When disposing of a part of the holding of an individual investment, the carrying amount to be allocated to that part is to be determined on the basis of the average carrying amount of the total investment.

2.20 Code on Social Security

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment ('Ministry') has released draft rules for the Code on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period in which the Code becomes effective.

3 KEY SOURCES OF ESTIMATION UNCERTAINTIES AND CRITICAL JUDGEMENTS

In applying the Company's accounting policies, which are described in note 2 above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the Company's accounting policies

3.1.1 Lease Term

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain.

The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying building and the availability of suitable alternatives. The Company has ascertained lease term as non cancellable term along with one term of extension out of multiple terms of extension option available with the Company and where the Company has unilateral right to extend the lease ('Lease Term for Right of Use'), if applicable.

3.1.2 Capitalisation of fit out period

Cost (depreciation on Right of Use asset, interest expense of lease liability, electricity charges, building maintenance charges, housekeeping & security charges, project and design related employee cost) for the expected fit-out period is capitalised as part of leasehold improvement, considering, this cost is attributable to bring the asset in necessary condition for its intended use. The fit out period has been determined by the management basis the historical experience and the size and complexities involved for development of property to make them available for intended use.

3.1.3 Incremental borrowing rate

The initial recognition of lease liabilities at present value requires the identification of an appropriate discount rate. The Company has determined the incremental borrowing rate based on considerations specific to the leases by taking consideration of the risk free borrowing rates as adjusted for country / company specific risk premiums (basis the readily available data points). The Company is considering fixed deposit rates as appropriate discount rates to get fair value of financials assets.

3.2 Key sources of estimation uncertainty

3.2.1 Taxes

Deferred tax assets are recognised for the unused tax losses for which there is probability of utilisation against the future taxable profit. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, future tax planning strategies and recent business performances and developments. (Refer Note 10)

3.2.2 Useful life of property, plant and equipment

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimate relate to technical and economic obsolescence that may change the utility of assets.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

4. Property, plant and equipment

Particulars	Leasehold improvement	Electrical installations/equipment	Plant and equipment	Furniture and fixtures	Vehicles *	Computers and data processing units	Office equipment	Total
Gross value / deemed Cost								
As at April 01, 2021	**1,426.56**	**401.12**	**425.06**	**1,462.83**	**4.75**	**190.42**	**71.65**	**3,982.39**
Additions	691.51	148.47	213.55	581.90	2.34	74.29	11.19	1,723.25
Disposals/adjustments	(33.98)	(14.49)	(1.30)	(51.71)	-	(5.59)	(3.32)	(110.39)
Sale and leaseback	(30.05)	(7.07)	(52.80)	(224.89)	-	(17.08)	(2.06)	(333.95)
As at March 31, 2022	**2,054.04**	**528.03**	**584.51**	**1,768.13**	**7.09**	**242.04**	**77.46**	**5,261.30**
Additions	2,906.81	426.93	402.52	1,633.42	14.12	150.40	78.30	5,612.50
Disposals/adjustments	(105.29)	(43.48)	(6.91)	(55.96)	-	(2.55)	(3.51)	(217.70)
Sale and leaseback	-	-	(79.41)	(199.47)	-	(16.62)	(5.37)	(300.87)
As at March 31, 2023	**4,855.56**	**911.48**	**900.71**	**3,146.12**	**21.21**	**373.27**	**146.88**	**10,355.23**
Accumulated Depreciation								
As at April 01, 2021	**379.02**	**72.88**	**47.65**	**267.73**	**1.13**	**74.04**	**24.86**	**867.31**
Depreciation	230.54	46.85	31.38	155.19	0.66	31.97	13.95	510.54
Disposals/adjustments	(24.47)	(4.84)	(0.16)	(19.28)	-	(3.85)	(2.37)	(54.97)
Sale and leaseback	(7.23)	(0.71)	(3.58)	(15.10)	-	(1.18)	(0.35)	(28.15)
As at March 31, 2022	**577.86**	**114.18**	**75.29**	**388.54**	**1.79**	**100.98**	**36.09**	**1,294.73**
Depreciation	413.82	74.04	46.39	258.29	1.82	49.12	19.58	863.06
Disposals/adjustments	(28.67)	(15.51)	(1.70)	(24.20)	-	(1.25)	(2.92)	(74.25)
Sale and leaseback	-	-	(4.85)	(12.11)	-	(2.21)	(0.97)	(20.14)
As at March 31, 2023	**963.01**	**172.71**	**115.13**	**610.52**	**3.61**	**146.64**	**51.78**	**2,063.40**
Net carrying value								
As at March 31, 2022	**1,476.18**	**413.85**	**509.22**	**1,379.59**	**5.30**	**141.06**	**41.37**	**3,966.57**
As at March 31, 2023	**3,892.55**	**738.77**	**785.58**	**2,535.60**	**17.60**	**226.63**	**95.10**	**8,291.83**

Notes:

4.1. * Refer note 20 for hypothecation / lien.

4.2. Refer note 33 of contractual commitment for acquisition of property, plant and equipment.

4.3. Property, plant and equipment are provided for coworking spaces to customers on lease except for vehicles and certain office equipment.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

5. Right-of-use assets

Particulars	Building	Equipment	Total
As at April 01, 2021	8,583.64	32.26	8,615.90
Additions during the period	12,700.14	86.31	12,786.45
Disposal during the year	-	-	-
Depreciation - capitalisation of fit out period	(488.99)	-	(488.99)
Depreciation for the year	(1,578.95)	(26.93)	(1,605.88)
As at March 31, 2022	19,215.84	91.64	19,307.48
Additions during the period	13,208.37	123.66	13,332.03
Adjustments during the period	66.86	-	66.86
Disposal during the year	(269.21)	-	(269.21)
Depreciation - capitalisation of fit out period	(795.04)	-	(795.04)
Depreciation for the year	(2,619.37)	(75.65)	(2,695.02)
As at March 31, 2023	28,807.45	139.65	28,947.10

5.1. Buildings include property taken from landlords for developing co-working spaces along with guest houses.
5.2. Equipment majorly comprises of UPS and electronic/electrical equipment taken on lease.

5.3. The Company has applied the practical expedient provided under para 46A of Ind AS 116 (as amended) to one-time concession on lease payment provided by Landlords in relation to the lease of building. By electing this practical expedient, the Company has accounted for the change in lease payment resulting from the rent concession, in the same way, it would account for the change applying Ind AS 116, if the change were not a lease modification. Accordingly, Rs. Nil (March 31, 2022- Rs. 44.42 million) has been recognised as a negative variable lease payment under Other Income in the statement of profit or loss for the year ended March 31, 2023 & March 31, 2022 respectively.

5.4. Amounts recognised in profit or loss	**For year ended March 31, 2023**	**For year ended March 31, 2022**
Expenses relating to short-term leases	23.35	13.82
Expenses relating to leases of low-value assets, excluding Short-term leases of low-value assets	35.08	27.19
Expense relating to variable lease payments not included in the measurement of lease liabilities	6.35	-

5.5. Total cash flow for leases	**For year ended March 31, 2023**	**For year ended March 31, 2022**
Total cash outflow for leases (including interest)	3,754.58	2,186.70

5.6. The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date

Maturity analysis:	**As at March 31, 2023**	**As at March 31, 2022**
Not later than one year	5,644.68	3,442.58
Later than one year but not later than five years	23,786.90	15,557.88
Later than five years	20,318.45	13,361.97
Total	49,750.03	32,362.43

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

6. Capital work-in-progress

Capital work-in-progress ageing schedule

As at March 31, 2023

Particulars	Amount of Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	418.74	-	-	-	418.74

As at March 31, 2022

Particulars	Amount of Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	868.59	-	-	-	868.59

Notes:
6.1. For capital-work-in-progress, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan as of March 31, 2023 and March 31, 2022.

7. Intangible assets

Particulars	Software
Gross value / deemed Cost	
As at April 01, 2021	**8.69**
Additions	2.64
Disposals	(0.03)
As at March 31, 2022	**11.30**
Additions	1.92
Disposals	-
As at March 31, 2023	**13.22**
Accumulated amortisation	
As at April 01, 2021	**2.70**
Depreciation	2.65
Disposals	(0.03)
As at March 31, 2022	**5.32**
Depreciation	3.54
Disposals	-
As at March 31, 2023	**8.86**
Net carrying value	
As at March 31, 2022	**5.98**
As at March 31, 2023	**4.36**

Note:
7.1: Software includes accounting, business and administrative software.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

8. Intangible assets under development

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Balance	-	-
Additions during the year	4.61	-
Capitalised during the year	-	-
Closing balance	**4.61**	**-**

Note.

8.1 Intangible assets under development ageing schedule

As at March 31, 2023

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	4.61	-	-	-	4.61

8.2 Intangible assets under development completion schedule

For Intangible assets under development, there are no projects whose completion is overdue or has exceeded its cost compared to its original plan as of March 31, 2023 and March 31, 2022.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

9. Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Non - Current		
Investment in subsidiaries		
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited),: (unquoted) 10,000 (March 31, 2022 - 10,000) equity shares of Rs 10 each	0.10	0.10
Smartworks Office Services Private Limited: (unquoted) 10,000 (March 31, 2022- 10,000) equity shares of Rs 10 each	0.10	0.10
Smartworks Stellar Services Private Limited: (unquoted) 10,000 (March 31, 2022- NIL) equity shares of Rs 10 each	0.10	-
	0.30	**0.20**

Detail of investments in subsidiaries are as below

Name of the Subsidiaries	% shareholding As at March 31, 2023	As at March 31, 2022
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited)	100.00%	100.00%
Smartworks Office Services Private Limited	100.00%	100.00%
Smartworks Stellar Services Private Limited	100.00%	0.00%

Name of the Subsidiaries	Principal place of business	Principal activity
Smartworks Tech Solutions Private Limited (Formerly know as: Smartworks Coliving Private Limited)	India	Software Development
Smartworks Office Services Private Limited	India	Facility management services
Smartworks Stellar Services Private Limited	India	Coworking space provider

10. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Security deposits	1,257.72	1,034.50
Balance deposits with more than 12 months maturity (Refer note 10.1)	235.21	235.70
Total	**1,492.93**	**1,270.20**
Current		
Security deposits	63.35	50.99
Interest accrued on bank deposits	40.99	42.52
Unbilled revenue	34.89	16.65
Stamp duty recoverable net of allowance (March 31, 2023- Nil, March 31, 2022 -Rs. 0.26 million)	2.59	2.34
	141.82	112.50
GST recoverable from customer	4.62	19.97
Allowance for recoverable	(4.62)	(19.97)
	-	-
Total	**141.82**	**112.50**

Note:
10.1 It includes deposits against lien/bank guarantee of Rs. 235.10 million (March 31, 2022 - Rs. 235.70 million).

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

11. Income Taxes

The major components of income tax expense / (credit) are:

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Current income tax		
- For the year	-	-
- For previous periods	-	-
Deferred tax		
- Origination and reversal of temporary difference	(351.10)	(242.35)
Income tax expense / (credit)	**(351.10)**	**(242.35)**

The reconciliation between the amount computed by applying the statutory income rates to the profit before tax and income tax expense is summarised below:

Particulars	For year ended March 31, 2023	For the year ended March 31, 2022
Loss before tax	(1,348.98)	(939.72)
Enacted tax rates in India	26.00%	26.00%
Tax expense / (credit)	**(350.73)**	**(244.32)**
Effect of:		
Adjustment in respect to previous years	-	(2.98)
Income / expense not taxable / deductible	(0.37)	4.46
Income tax expense / (credit)	**(351.10)**	**(242.84)**

The analysis of deferred tax assets / liabilities is as follows:

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	Closing balance
As at March 31, 2023					
Deferred tax asset					
Allowance for impairment of financial assets	5.71	(2.84)	-	-	2.87
Carry forward tax losses	236.93	121.45	-	-	358.38
Provision for employee benefits	5.11	2.58	(0.09)	-	7.60
Depreciation / amortisation on PPE / intangible assets	0.53	12.31	-	-	12.84
Provisions for asset retirement obligations	2.79	2.30	-	-	5.09
Provisions for contingencies and advances to vendors	1.01	0.90	-	-	1.91
Expenses allowed on payment basis	-	3.57	-	-	3.57
Right of use and lease liability	444.85	269.92	-	-	714.77
	696.93	410.19	(0.09)	-	1,107.03
Deferred tax liability					
Financial instruments measured at amortised cost	6.15	(0.38)	-	-	5.77
Revenue equalisation reserve	46.59	59.47	-	-	106.06
	52.74	59.09	-	-	111.83
Net Deferred tax asset	**644.19**	**351.10**	**(0.09)**	**-**	**995.20**
As at March 31, 2022					
Deferred tax asset					
Allowance for impairment of financial assets	5.84	(0.13)	-	-	5.71
Carry forward tax losses	127.82	109.11	-	-	236.93
Provision for employee benefits	2.31	2.44	0.36	-	5.11
Financial instruments measured at amortised cost	9.32	(15.47)	-	-	(6.15)
Provisions for asset retirement obligations	1.86	0.93	-	-	2.79
Provisions for contingencies	0.94	0.07	-	-	1.01
Right of use and lease liability	298.18	146.67	-	-	444.85
	446.27	243.62	0.36	-	690.25
Deferred tax liability					
Depreciation / amortisation on PPE / intangible assets	23.52	(24.05)	-	-	(0.53)
Revenue equalisation reserve	21.27	25.32	-	-	46.59
	44.79	1.27	-	-	46.06
Net Deferred tax asset	**401.48**	**242.35**	**0.36**	**-**	**644.19**

As at March 31, 2023, the Company is having carry forward tax losses. The Company has considered committed revenues and letter of intents from customers up to the date of signing of financial statements and maintaining/increasing an overall occupancy for future periods based on historical trends in making its projected future taxable profits for the purpose of evaluating recognition of deferred tax.

(All amounts are in millions of Indian Rupees, unless stated otherwise)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

12. Income tax assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Advance income tax net of current tax provision- Nil (March 31, 2022: Nil)	216.57	179.50
Total	**216.57**	**179.50**

13. Other assets

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Prepayments (refer note 13.1 below)	294.43	163.18
Revenue equalisation reserve (refer note 13.2 below)	274.34	124.46
Balance with government authorities	18.37	-
Capital advances net of allowance Rs. 5.21 million (March 31, 2022 - Rs. 3.10 million)	65.68	92.43
Total	**652.82**	**380.07**
Current		
Balance with government authorities	662.64	351.64
Prepayments (refer note 13.1 below)	330.37	189.07
Receivable from landlord	3.54	130.22
Revenue equalisation reserve (refer note 13.2 below)	133.60	54.71
Advance to suppliers net of allowance Rs. 1.22 million (March 31, 2022 - Rs. Nil)	17.31	6.85
Other receivables	55.83	0.25
Total	**1,203.29**	**732.74**

Notes:

13.1. Prepayment includes the initial direct cost for obtaining lessee for operating lease. The movement of such initial direct cost is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	317.70	117.82
Additions	398.25	337.96
Amortisation	(156.20)	(138.08)
Closing balance	**559.75**	**317.70**

13.2. Operating lease arrangements (as a lessor)

Operating leases, in which the Company is the lessor, relate to co-working space given by the company on lease with lease term (i.e. non cancellable period) between 0-5 years, with a mutual extension option.

The Company enters into arrangements with customers for providing co-working spaces wherein the right to use the assets is given. However, as the title to the assets and the significant risks associated with the operation and maintenance of these assets remains with the Company, such arrangements are recognised as operating lease. The contracted price is recognised as revenue during the tenure of the agreement on a straight line basis.

Maturity analysis of operating lease receipts:
The following table sets out a maturity analysis of lease receipts, showing the undiscounted lease receipts to be received after the reporting date.

Particulars	As at March 31, 2023	As at March 31, 2022
-Year 1	6,841.72	3,288.99
-Year 2	4,790.90	2,280.37
-Year 3	2,257.71	1,285.41
-Year 4	551.06	421.51
-Year 5	106.52	187.60
-Year 6 onwards	-	15.53

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

14. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Considered good, Secured	134.76	83.67
Considered good, Unsecured	6.54	21.35
Credit impaired	6.41	4.45
	147.71	**109.47**
Less: Allowance for doubtful receivables	(6.41)	(4.45)
Total	**141.30**	**105.02**

Notes:
14.1 The average credit period is 7 days.
14.2 The customers pays security deposits which can be used for any non-payments during the contract period. Trade receivables are secured with the corresponding deposits received from customers.

The movement of allowances of doubtful debts is as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	4.45	3.47
Additions	1.96	0.98
Write off (net of recovery)	-	-
Closing balance	**6.41**	**4.45**

Trade receivables ageing

As at March 31, 2023

	Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables - considered good	31.95	54.07	7.95	4.47	1.13	0.31	99.88
(ii)	Undisputed Trade receivables - credit impaired	0.25	0.25	0.87	0.39	0.88	1.75	4.39
(iii)	Disputed Trade Receivables - considered good	-	0.50	11.17	21.50	8.25	-	41.42
(iv)	Disputed Trade Receivables - credit impaired	-	-	0.55	0.10	0.97	0.40	2.02
	Less: Allowances for doubtful receivables							(6.41)
	Total Trade receivables							141.30

As at March 31, 2022

	Particulars	Not due	Outstanding for following periods from due date of payment: Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed Trade receivables - considered good	5.77	35.25	20.23	1.63	0.05	0.27	63.20
(ii)	Undisputed Trade receivables - credit impaired	-	0.19	0.13	0.69	1.16	0.31	2.48
(iii)	Disputed Trade Receivables - considered good	-	0.18	23.50	18.14	-	-	41.82
(iv)	Disputed Trade Receivables - credit impaired	0.48	-	0.18	0.91	0.04	0.36	1.97
	Less: Allowances for doubtful receivables							(4.45)
	Total Trade receivables							105.02

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

15. Cash and cash equivalents

For the purpose of standalone statement of cashflows, cash and cash equivalents includes cash on hand and balance with banks in current accounts and deposits.

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks:		
- in current accounts	337.00	206.44
- in escrow account (refer note 15.1)	43.34	16.14
- in demand deposit accounts (with original maturity of 3 months or less)	800.00	-
Cash in hand (refer note 15.2)	0.01	0.08
Total	**1,180.35**	**222.66**

Notes:
15.1. Restricted cash in escrow account
The balances primarily include restricted bank balances, received from specified customers, for repayments of monthly instalments of specified bank loans.

15.2. For the purpose of standalone statement cash flows, Cash and cash equivalence comprise of following:

Particulars	As at March 31, 2023	As at March 31, 2022
C&CE as per balance sheet	1,180.35	222.66
Bank overdraft	(958.79)	(545.39)
Total	**221.56**	**(322.73)**

16. Other bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with original maturity more than 3 months (refer note 16.1)	954.47	796.33
Wallet balances	0.32	0.44
Total	**954.79**	**796.77**

Note:
16.1 It includes deposits against lien of Rs. 954.48 million (March 31, 2022 - Rs. 796.33 million).

17. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Loans to related parties (refer note 36)	69.33	3.89
Total	**69.33**	**3.89**

Particulars	Disbursement date	Repayment/ Maturity date	Interest per annum	As at March 31, 2023	As at March 31, 2022
Smartworks Tech Solutions Private Limited (Formerly known as: Smartworks Coliving Private Limited)	October 1, 2021	September 30, 2022	9%	69.18	3.89
	October 1, 2022	September 30, 2023	11%		
Smartworks Office Services Private Limited	August 1, 2022	September 30, 2023	11%	0.10	-
Smartworks Stellar Services Private Limited	August 1, 2022	September 30, 2023	11%	0.05	-

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18. Share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares ('000')	(₹ in millions)	Number of shares ('000')	(₹ in millions)
Authorised				
Share capital				
Equity shares of Rs. 10 each with voting rights	100,000	1,000.00	100,000	1,000.00
Cumulative convertible preference shares of Rs. 10 each with voting rights	20,000	200.00	20,000	200.00
Total	**120,000**	**1,200.00**	**120,000**	**1,200.00**
Issued, subscribed and fully paid-up				
Equity share capital				
Equity shares of ₹ 10 each with voting rights	77,691	776.91	77,196	771.96
Total	**77,691**	**776.91**	**77,196**	**771.96**

Notes:

18.1. Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares ('000')	(₹ in millions)	Number of shares ('000')	(₹ in millions)
Equity shares with voting rights				
At the beginning of the year	77,196	771.96	77,196	771.96
Changes in equity share capital during the year	495	4.95	-	-
Outstanding at the end of the year	**77,691**	**776.91**	**77,196**	**771.96**

18.2. Details of equity shares held by each shareholder holding more than 5% shares:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares ('000')	% holding	Number of shares ('000')	% holding
Equity shares with voting rights				
NS Niketan LLP, India	43,300	55.734%	43,300	56.091%
SNS Infrarealty LLP, India	27,585	35.506%	27,581	35.729%
Mansoul Commercial Pvt Ltd, India	-	0.000%	4,169	5.400%
Mahima Stocks Private Limited, India	4,269	5.494%	-	0.000%

18.3. Rights attached to Equity shares:

The Company has issued one class of equity shares having a face value of Rs. 10 each.

18.4. Shareholding of Promoters

Shares held by Promoters as at March 31, 2023:

Sl. No	Particulars	Number of shares ('000')	% holding	% change during the year
1	NS Niketan LLP, India	43,300	55.734%	-0.357%
2	SNS Infrarealty LLP, India	27,585	35.506%	-0.222%
3	Vision Comptech Integrators Limited, India	1	0.001%	0.000%
4	Neeta Sarda, India	2	0.003%	0.000%
5	Neetish Sarda, India	3	0.004%	0.000%
6	Saumya Binani, India	3	0.004%	0.000%

Shares held by Promoters as at March 31, 2022:

Sl. No	Particulars	Number of shares ('000')	% holding	% change during the year
1	NS Niketan LLP, India	43,300	56.091%	0.000%
2	SNS Infrarealty LLP, India	27,581	35.729%	0.000%
3	Vision Comptech Integrators Limited, India	1	0.001%	0.000%
4	Neeta Sarda, India	2	0.003%	0.000%
5	Neetish Sarda, India	3	0.004%	0.000%
6	Saumya Binani, India	3	0.004%	0.000%

18.4.1. Based on Annual return filed with Ministry of Corporate Affairs.

18.5 During the year, the Company made preferential offer on private placement basis of 495,000 equity shares of face value Rs. 10 each, at an issue price of Rs. 260 per share (including share premium of Rs. 250/- each), with such shares to be issued on and rank pari passu with existing shares.

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19. Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
Security premium	2,209.18	2,032.30
Instruments classified as equity	183.80	183.80
Money received against share warrants	2.13	-
Retained earning	(2,843.03)	(1,845.42)
	(447.92)	**370.68**

19.1. Security Premium
Security premium is used to record the premium on issue of shares. The reserves are utilised in accordance with provisions of The Companies Act.

19.2. Instruments classified as equity
The Company has issued 18,379,915 cumulative convertible preference share having a face value of Rs. 10 each on October 23, 2019 with reference to the investment agreement with Space Solutions India Pte Ltd (Formerly known as Lisbrine PTE. LTD.) dated October 4, 2019. Preference shareholder is entitled to receive dividend subject to recommendation of Board of Directors and carry one vote per share in terms of the agreement.
The shareholder shall be entitled to receive a cumulative fixed preferential dividend per annum for each cumulative convertible preference shares held based on the following coupon rate:
1. 0.01% of the Initial Subscription Price per share on the first anniversary;
2. 0.50% of the Initial Subscription Price per share on the second anniversary;
3. 1.00% of the Initial Subscription Price per share on the third anniversary;
4. 2.00% of the Initial Subscription Price per share on the fourth anniversary;
5. 4.00% of the Initial Subscription Price per share on fifth anniversary and every anniversary thereafter until conversion of the cumulative convertible preference shares to ordinary shares in the Company.

At any time up to 20 years from the date of this agreement, the preference shareholder shall have the right, at its option and sole and absolute discretion, to convert all or part of its cumulative convertible preference shares then outstanding into ordinary shares.
All the cumulative convertible preference shares then outstanding shall be converted into ordinary shares at a minimum ratio of 1 cumulative convertible preference share to 1 ordinary share conversion rate immediately:
(a) prior to the consummation of a Qualified Event or
(b) in the event there is a binding offer for a purchase of all of the Shares of the Company and such offer meets the Yield Threshold.
Each cumulative convertible preference share, subject to conversion, shall be converted into such number of fully paid ordinary shares as is determined by dividing the initial subscription price per share (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations) by the then applicable conversion price per cumulative convertible preference share and no additional consideration shall be payable upon such conversion.

As these cumulative convertible preference shares are perpetual in nature and ranked senior only to the equity share capital of the Company and the Company does not have any redemption obligation i.e. these instruments have to be converted into equity share of the Company, thus these shares are considered as equity instruments.

19.3. Retained Earnings
Retained earnings reflect surplus / deficit after taxes in the statement of profit or loss. The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the balance in this reserve and also considering the requirements of the Companies Act, 2013.

19.4. Share Warrants
The Company has issued 850,000 share warrants of Rs. 260 each per warrant ("Warrant Subscription Price") for an aggregate consideration of Rs. 221.00 million on March 13, 2023 with reference to the warrant subscription agreement with Deutsche Bank,A.G, London Branch dated March 2, 2023. The warrant consideration shall be paid in the following manner:
1. Rs. 55.25 million shall be payable by the warrant holder on the closing date as consideration for subscribing to the Warrants ("Warrant Subscription Amount")
2. Rs. 165.75 millions shall be payable by warrant holder on or prior to the date of exercising the option of converting the warrants into equity shares of the Company, in accordance with the terms set forth in Schedule I, no later than 18 months from the closing date ("Warrant exercise amount")
Each warrant held by the warrant holder shall entitle it to apply and obtain allotment of 1(one) equity share of face value Rs 10. each at a premium of Rs. 250, at any time after the date of allotment but on or before the expiry of the term of the warrant, that is, 48 months from the date of allotment of the warrant ("Warrant Exercise Period").

In the event the warrant holder does not exercise the warrants held by it within the Warrant Exercise Period, the warrants held by the warrant holder shall lapse and the amount paid on the subscription of warrants shall stand forfeited fully or proportionately by the Company if the right to acquire equity shares is not exercised fully or in part thereof.

In the event the Company undertakes an initial public offering of the Company in accordance with applicable law, the warrants shall be mandatorily exercised and converted into equity shares in accordance with the terms and conditions of the warrant subscription agreement.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

20. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Secured – at amortised cost		
Bonds		
FBIL + 8.575% Non Convertible Bonds	1,240.18	-
From Bank		
- Auto Loan	8.10	4.00
- Term Loan	2,538.02	1,416.18
From NBFC		
- Term Loan	203.55	-
- Auto Loan	6.72	-
Unsecured – at amortised cost		
From related party		
- Inter- Corporate Deposits	85.00	-
Less: current maturities of long term borrowings	(1,083.28)	(273.08)
	2,998.29	**1,147.10**
Current		
Secured – at amortised cost		
- Bank overdraft	958.79	545.39
- From NBFCs	81.03	365.76
Unsecured – at amortised cost		
- Inter- Corporate Deposits from related parties (refer note 36)	15.00	144.70
- Inter- Corporate Deposits from others parties	17.50	-
Current maturities of long-term borrowings		
Secured		
- Bonds	312.50	-
- Term Loan (From Banks)	684.14	272.02
- Term Loan (From NBFC)	83.33	-
- Auto Loan (From Banks)	2.15	1.06
- Auto Loan (From NBFC)	1.16	-
	2,155.60	**1,328.93**

20.1. Other principal features of the Company's borrowings are as follows.

Particulars	Terms and Conditions	Interest rate (Per annum)	As at March 31, 2023	As at March 31, 2022
Bonds:				
Deutsche Investments India Private Limited **(Held in name of Catalyst Trusteeship Limited)**	- 1250 Bonds of Rs. 1 million each - Repayable in 45 monthly instalments (starting from 13-07-2023) and interest payable monthly from 13-04-2023 for 48 Months. - Maturity in March, 2027 - Hypothecation of receivables from specified tenancy contracts. - First exclusive charge by way of pledge over 9,692,056 equity shares of the Company, each in the name of NS Niketan LLP & SNS Infrarealty LLP (out of this, 49,500 shares were pledged subsequently) - Personal guarantee of directors and corporate guarantee of NS Niketan LLP & SNS Infrarealty LLP.	3 month FBIL T-Bill + 8.575%	1,250.00	-
	Total	**(A)**	**1,250.00**	-

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Particulars	Terms and Conditions	Interest rate (Per annum)	As at March 31, 2023	As at March 31, 2022
Term Loan:				
HDFC Bank Limited	- Repayable in 66 equal monthly instalments - Maturity in July, 2025 - Secured with lien over rentals of the property up to 58.6 million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of NS Niketan LLP & SNS Infrarealty LLP.	Linked to 3M Repo Currently 8.90% [P.Y: (MCLR + 0.7%) i.e. 7.90%]	108.82	151.41
HDFC Bank Limited	- Repayable in 84 equal monthly instalments - Maturity in February, 2027 - Secured with lien over rentals of the property up to 58.6 million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of NS Niketan LLP & SNS Infrarealty LLP.	Linked to 3M Repo Currently 9.25% [P.Y: (MCLR + 0.7%) i.e. 7.90%]	216.89	264.00
HDFC Bank Limited	- Repayable in 62 equal monthly instalments - Maturity in February, 2027 - Secured with lien over rentals of the property up to 58.6 million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of NS Niketan LLP & SNS Infrarealty LLP.	Linked to 3M Repo Currently 9.25% [P.Y: (MCLR + 0.7%) i.e. 7.90%]	238.23	287.64
HDFC Bank Limited	- Repayable in 38 monthly instalments - Maturity in August, 2025 - Secured with lien over rentals of the property up to 58.6 million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of NS Niketan LLP & SNS Infrarealty LLP.	Linked to 3M T Bill Currently 8.76%	277.51	-
HDFC Bank Limited	- Repayable in 61 monthly instalments - Maturity in February, 2028 - Secured with lien over rentals of the property up to 58.6 million, and lien of property of Vision Comptech Integrators Private Limited and personal guarantee of directors and corporate guarantee of NS Niketan LLP & SNS Infrarealty LLP.	Linked to 3M Repo Currently 8.90%	48.67	-
ICICI Bank Limited	- Repayable in 75 equal monthly instalments - Maturity in April, 2027, forepaid in August, 2022 - Secured by lien over rentals of up to 2.25 times of yearly repayment of receivables and personal guarantee of Directors and lien over fixed deposit of the company 55% of total sanctioned amount.	MCLR rate + 0.10% (7.40%)	-	241.97
ICICI Bank Limited	- Repayable in 67 equal monthly instalments - Maturity in June, 2027, forepaid in August, 2022 - Secured by lien over rentals of yearly repayment of receivables and personal guarantee of Directors and lien over fixed deposit of the company 55% of total sanctioned amount.	MCLR rate + 0.15% (7.40%)	-	39.65

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Particulars	Terms and Conditions	Interest rate (Per annum)	As at March 31, 2023	As at March 31, 2022
ICICI Bank Limited	- Repayable in 67 equal monthly instalments - Maturity in July, 2027, forepaid in August 2022 - Secured by lien over rentals of yearly repayment of receivables and personal guarantee of Directors and lien over fixed deposit of the company 55% of total sanctioned amount.	MCLR rate + 0.15% (7.40%)	-	81.51
ICICI Bank Limited	- Repayable in 18 quarterly instalments (starting from 08-05-2023) and interest payable monthly from 08-08-2022 for 60 Months. - Maturity in August, 2027 - Equitable mortgage over immovable property at AJC Bose Road, Kolkata in the name of third parties. - On the movable fixed assets of the company, both present and future - Second pari-passu charge on the current assets of the company, both present and future - Secured by upfront lien on fixed deposit of Rs. 20.00 crores with ICICI Bank - Personal Guarantee of Neetish Sarda and Harsh Binani and corporate guarantee of Kalyankari Commercial LLP, Kripa Merchandise LLP, Simran Merchandise LLP and Snow Well Merchandise LLP.	Based on MCLR Currently for Rs. 550 million 9.75% and for Rs. 50 million 9.85%	600.00	-
Axis Bank	- Repayable in 60 monthly instalments - Maturity in March, 2027 - Secured by lien over rentals and lien over property of M/s. Jagadhatri Vyapaar Private Limited and corporate guarantee of M/s. Jagadhatri Vyapaar Private Limited.	MCLR rate + 45BP (7.8%)	-	350.00
DBS Bank India Limited	- Repayable in 36 monthly instalments - Maturity in November, 2025 - Secured over future cash flows linked to selected secured tenancy contracts having a facility coverage ratio of 2.5x at all times and rent receivables - Pledge over DSRA account with amounts equivalent to next 3 months of debt servicing (P+I) requirements - Personal Guarantee of Neetish Sarda and Harsh Binani and corporate guarantee of SNS Infrarealty LLP and NS Niketan LLP	MCLR rate + mutually agreed margin or 9.50%	355.56	-
Indian Bank	- Repayable in 48 monthly instalments - Maturity in March, 2027 - Secured by lien over rentals and lien over property of M/s. Jagadhatri Vyapaar Private Limited and corporate guarantee of M/s. Jagadhatri Vyapaar Private Limited. - FD lien of Rs. 19.90 million - Personal Guarantee of Neetish Sarda and Harsh Binani and corporate guarantee of SNS Infrarealty LLP and NS Niketan LLP	9.25%	291.70	-
Indian Bank	- Repayable in 60 monthly instalments - Maturity in January, 2028 - Secured by lien over rentals and lien over property of M/s. Jagadhatri Vyapaar Private Limited and corporate guarantee of M/s. Jagadhatri Vyapaar Private Limited. - FD lien of Rs. 33.50 million - Personal Guarantee of Neetish Sarda and Harsh Binani and corporate guarantee of SNS Infrarealty LLP and NS Niketan LLP	9.25%	428.30	-
	Total	**(B)**	**2,565.68**	**1,416.18**

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Auto Loan:

Particulars	Terms and Condition	Interest rate (Per annum)	As at March 31, 2023	As at March 31, 2022
HDFC Bank Limited	- Repayable in 60 equal monthly instalments - Maturity in July, 2022 - Secured by hypothecation of vehicle of the Company.	9.00%	-	0.09
HDFC Bank Limited	- Repayable in 60 equal monthly instalments - Maturity in May, 2027 - Secured by hypothecation of vehicle of the Company.	7.20%	3.07	-
ICICI Bank Limited	- Repayable in 60 equal monthly instalments - Maturity in July, 2024 - Secured by hypothecation of vehicle of the Company.	10.00%	0.51	0.84
ICICI Bank Limited	- Repayable in 60 equal monthly instalments - Maturity in December, 2024 - Secured by hypothecation of vehicle of the Company.	9.35%	0.65	0.97
ICICI Bank Limited	- Repayable in 84 equal monthly instalments - Maturity- Sep, 2028 - Secured by hypothecation of vehicle of the Company.	7.70%	0.96	1.09
ICICI Bank Limited	- Repayable in 60 equal monthly instalments - Maturity- Feb, 2027 - Secured by hypothecation of vehicle of the Company.	7.40%	0.83	1.01
ICICI Bank Limited	- Repayable in 60 equal monthly instalments - Maturity- Jun, 2027 - Secured by hypothecation of vehicle of the Company.	7.50%	2.08	-
BMW India Financial Services Pvt. Ltd.	- Repayable in 60 equal monthly instalments - Maturity- Dec, 2027 - Secured by hypothecation of vehicle of the Company.	10.25%	6.72	-
	Total	**(C)**	**14.82**	**4.00**

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

Term Loan from NBFC:

Particulars	Terms and Condition	Interest rate (Per annum)	As at March 31, 2023	As at March 31, 2022
Equentia Financial Service Pvt Ltd	- Repayable in 12 equal monthly instalments - Maturity in Dec, 2022, forepaid in July 2022 - Secured by lien over rentals as specified in the facility agreement. - Personal Guarantee of Neetish Sarda and Harsh Binani	10.00%	-	165.76
Equentia Financial Service Pvt Ltd	- Repayable in 12 equal monthly instalments - Maturity in Mar, 2023 - Secured by lien over rentals as specified in the facility agreement. - Personal Guarantee of Neetish Sarda and Harsh Binani	10.00%	-	200.00
Equentia Financial Service Pvt Ltd	- Repayable in 12 equal monthly instalments - Maturity in June, 2023 - Secured by lien over rentals as specified in the facility agreement. - Personal Guarantee of Neetish Sarda and Harsh Binani	10.00%	29.39	-
Equentia Financial Service Pvt Ltd	- Repayable in 12 equal monthly instalments - Maturity in July, 2023 - Secured by lien over rentals as specified in the facility agreement. - Personal Guarantee of Neetish Sarda and Harsh Binani.	11.00%	51.84	-
Tata Capital Financial Services Limited	- Repayable in 36 equal monthly instalments - Maturity in Sept, 2025 - FD lien of Rs. 40.40 million - Secured by over receivable to the tune of 2.00x from the tenants as acceptable and personal guarantee of Directors.	10.85% p.a. i.e. ROI equal to LTLR less 9.70% (subject to minimum of 10.35% p.a.) 11.85% effective March, 2023	208.33	-
	Total	**(D)**	**289.56**	**365.76**

Bank overdraft:

Particulars	Terms and Condition	Interest rate (Per annum)	As at March 31, 2023	As at March 31, 2022
HDFC Bank Limited	- Repayable in 12 months - Secured by lien over liquid deposits with bank up to 19 millions	FD+ 0.25% p.a	5.65	11.26
HDFC Bank Limited	- Repayable in 60 months - Secured by lien over liquid deposits with bank of 734.3 millions and lien over rental escrows to the tune of 1.90x only for 250 million DOD facility	8.25% linked to 3M T Bill for 731 million 8.90% linked to 3M T Bill for 250 million	952.90	534.13
	Total	**(E)**	**958.55**	**545.39**
		(A+B+C+D+E)	**5,078.61**	**2,331.33**
Less: Impact due to effective interest rate method			**(42.22)**	**-**
			5,036.39	**2,331.33**

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(All amounts are in millions of Indian Rupees, unless stated otherwise)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

20.2 Detail of unsecured borrowings

Particulars	Disbursement date	Repayment/ Maturity date	Interest rate (Per annum)	As at March 31, 2023 Principal	As at March 31, 2023 Interest accrued	As at March 31, 2022 Principal	As at March 31, 2022 Interest accrued
20.2.1 Related parties:							
Vision Comptech Integrators Limited	October 28, 2021 August 1, 2022	October 27, 2022 July 31, 2025	9%	85.00	-	129.70	-
SML Smart Technologies Private Limited	May 7, 2021 May 7, 2022	May 6, 2022 May 6, 2023	9%	15.00	-	15.00	-
			(A)	**100.00**	**-**	**144.70**	**-**
20.2.2 Others:							
Blackcherry Commosale Private Limited	May 11, 2022	May 10, 2023	12%	17.50	-	-	-
			(B)	**17.50**	**-**	**-**	**-**
			(A+B)	**117.50**	**-**	**144.70**	**-**

* Interest accrued and payable were paid before the balance sheet and hence there was no outstanding balance in interest accrued

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

21. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Provision for employee benefits:		
- Provision for gratuity (refer note 35)	13.18	8.91
- Provision for compensated absences	11.00	8.01
Other provisions:		
- Asset retirement obligation (refer note 21.1)	19.58	10.74
Total	**43.76**	**27.66**
Current		
Provision for employee benefits:		
- Provision for gratuity (refer note 35)	1.78	0.80
- Provision for compensated absences	3.28	1.92
Other provisions:		
- Provision for contingencies (refer note 21.1)	0.90	0.58
Total	**5.96**	**3.30**

Note:
21.1. Movement of other provisions:

	Provision for Contingencies	Asset retirement Obligations
As at April 01, 2021	**0.48**	**7.16**
Addition/(reversal) during the year	0.10	2.81
Interest accrued during the year	-	0.77
As at March 31, 2022	**0.58**	**10.74**
Addition/(reversal) during the year	0.32	7.37
Interest accrued during the year	-	1.47
As at March 31, 2023	**0.90**	**19.58**

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22. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro and small enterprises	359.10	101.81
Total outstanding dues other than micro and small enterprises	623.19	350.01
Total	**982.29**	**451.82**

Notes:

22.1 The average credit period on purchases of goods and services is 30 days, except for brokerage & commission and manpower services which is 90 days.

22.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	As at March 31, 2023	As at March 31, 2022
(I)	(a) the principal amount remaining unpaid to any supplier (including payables on purchase of property, plant and equipment amounting Rs. 293.58 million (March 31, 2022 : Rs. 183.48 million))	652.68	285.29
	(b) interest due thereon	-	-
(II)	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(III)	Interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(IV)	The amount of interest due and payable for the year	-	-
(V)	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Trade payables ageing

As at March 31, 2023

	Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 year	2-3 year	More than 3 years	
(i)	Dues to MSME (A)	-	216.54	142.11	-	-	-	358.65
(ii)	Others	180.57	195.33	228.20	13.22	5.67	0.20	623.19
(iii)	Disputed dues-MSME (B)	-	-	-	-	0.45	-	0.45
Total dues to micro and small enterprises (A+B)								**359.10**
Total others								**623.19**

As at March 31, 2022

	Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 year	2-3 year	More than 3 years	
(i)	Dues to MSME (A)	-	-	100.04	1.32	-	-	101.36
(ii)	Others	126.46	8.59	198.39	14.20	2.33	0.04	350.01
(iii)	Disputed dues-MSME (B)	-	-	-	0.30	0.15	-	0.45
Total dues to micro and small enterprises (A+B)								**101.81**
Total others								**350.01**

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(All amounts are in millions of Indian Rupees, unless stated otherwise)

23. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Security deposits	1,886.50	808.62
Total	**1,886.50**	**808.62**
Current		
Security deposits	997.21	715.70
Payables on purchase of property, plant and equipment (refer note 23.1)	712.84	455.66
Interest accrued but not due on borrowings	21.71	7.78
Total	**1,731.76**	**1,179.14**

Note:
23.1. Includes amount due to Micro and Small Enterprises amounting Rs. 293.58 million (March 31, 2022 - Rs.183.48 million).

24. Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Deferred revenue	272.88	171.23
Total	**272.88**	**171.23**
Current		
Deferred revenue	217.07	90.49
Statutory dues	65.79	43.04
Advance from customers	22.67	7.52
Liability for customer loyalty (refer note 24.1)	-	1.71
Others	27.56	-
Total	**333.09**	**142.76**

Note
24.1. Liability for customer loyalty represents credit/discount guaranteed to the customers upon satisfaction of agreed conditions related to retention.

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(All amounts are in millions of Indian Rupees, unless stated otherwise)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

25. Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from lease rentals	6,857.81	3,481.91
Revenue from ancillary services	239.29	120.50
Total	**7,097.10**	**3,602.41**

Note :
25.1. Revenue from lease arrangements, where there is a material breach as per agreed terms & conditions and ultimate recovery of revenue is not probable, is not recorded in the statement of profit and loss. During the year ended March 31, 2023, amount of Rs. 1.70 million (March 31, 2022 amount of Rs. 7.34 million) is not recorded as revenue considering ultimate recovery is not probable. Company has undertaken initiatives for recovery of such amounts and it will be recognised only when ultimate collection is probable and accordingly, Company has recognised revenue of Rs. Nil (March 31, 2022- Rs. 8.11 million) during March 31, 2023.

26. Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income earned on financial assets that are measured at amortised cost		
- Security deposits	144.57	58.70
- Interest income on bank deposits	56.31	53.66
- Interest income from subsidiary company	3.22	0.04
- Others	0.09	0.07
Income from delay in handover of property	-	63.00
Income from reimbursement of fitout	4.87	97.67
Income from subsidiary (Other than interest)	1.53	-
Income from scrap sales	2.42	-
Other gain and losses		
- Interest income on income tax refund	11.27	1.96
- Liability/provision no longer required written back	36.33	17.33
- Lease termination gain	68.89	2.85
- COVID-19 related rent concessions (negative variable lease payments)	-	44.42
- Profit on sale of property, plant & equipment	1.42	-
- Others	0.60	0.01
Total	**331.52**	**339.71**

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

27. Operating expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Housekeeping, security, support Service, plantation and pest control	665.51	300.56
Electricity and water charges	620.22	273.53
Building maintenance	463.06	266.08
Equipment and asset hire charges	46.86	50.33
Commission and brokerage	269.37	138.39
Communication expenses	62.49	34.90
Lease rentals	6.57	0.11
Freight and transportation	11.32	12.19
Parking space charges	35.44	5.70
Total	**2,180.84**	**1,081.79**

28. Employee benefits expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	373.99	241.18
Contributions to provident fund and other funds	9.19	1.08
Gratuity expense (refer note 35)	5.81	3.74
Staff welfare expenses	15.45	9.58
Total	**404.44**	**255.59**

29. Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on:		
- Lease liabilities	1,970.39	1,091.87
- Borrowings	275.32	121.17
- financial liabilities that are measured at amortised cost	87.28	-
Others:		
- Interest on asset retirement obligation	1.47	0.77
- Others	32.18	9.74
Total	**2,366.64**	**1,223.55**

30. Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on:		
- Property, plant and equipment	863.06	510.54
- Right-of-use assets	2,695.02	1,605.88
Amortisation on intangible assets	3.54	2.65
Total	**3,561.62**	**2,119.07**

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

31. Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Business development	24.74	24.42
Legal and professional charges (refer note 31.1)	37.95	27.62
Travelling expenses	33.69	23.21
Postage and stationery	15.64	10.09
Consultancy expenses	22.80	25.53
Property, plant and equipment written off	62.63	23.34
Rates and taxes	8.01	5.20
Allowance for doubtful debts and advances	1.96	2.90
Provision for contingencies	0.32	0.10
Information technology expenses	30.04	14.26
Insurance charges	4.55	3.67
Loss on sale of Property, plant & equipment	-	28.84
Miscellaneous expenses	21.73	12.66
Total	**264.06**	**201.84**

Note:
31.1. Legal and professional (excluding indirect taxes) expenditure includes:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory auditors		
- Statutory audit	5.10	4.35
- Out of pocket expense	0.15	0.20
Total	**5.25**	**4.55**

32. (Loss)/Earnings Per Share ('EPS')

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and dilutive		
Loss for the year (a)	(997.88)	(697.37)
Nominal value of equity share (₹)	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	95.58	95.58
Total number of equity shares outstanding at the end of the year	96.07	95.58
Weighted-average number of equity shares (b)	95.58	95.58
Basic / dilutive loss per share (a)/(b)	**(10.44)**	**(7.31)**

The cumulative convertible preference shares classified as equity instruments are included as a part of Basic and Dilutive EPS computation as these can be converted to equity shares at any point of time (refer note 19).

During the year, the company has issued 850,000 share warrants. These share warrants are potential ordinary shares as they entitle its holders to ordinary shares during Warrant Exercise period. The share warrants has not been considered for computing weighted average number of equity shares for diluted EPS as they are antidilutive in nature. (refer note 19.4.1)

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

33. Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2023	As at March 31, 2022
A. Contingent liabilities		
Claims against the Company not acknowledged as debt: - Income tax matters (net of payments made)	1.45	1.45
B. Commitments Estimated amount of contracts remaining to be executed on property, plant and equipment and intangible assets and not provided for (net of related advances)	190.30	292.67
C. Corporate guarantee Corporate guarantee provided to third party on behalf of vendors of company	158.28	-
D. Others Letter of credit and guarantees excluding financial guarantees	17.89	22.00

Notes:
33.1 Apart from the commitments disclosed above, the Company has no financial commitments other than those in the nature of regular business operations.

34. Segment reporting
The Company's primary business segment involves developing and renting out co-working spaces in business centres. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company Performance, allocate resources based on the analysis of the various Performance indicator of the Company as a single unit of coworking spaces. Therefore there are no separate reportable business segments as per Ind AS 108- "Operating Segments".

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35. Employee benefit plans

Defined contribution plans

The Company makes provident fund contribution to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees provident fund is deposited with the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The Company has recognised the following amounts in the Statement of Profit and Loss in the following years:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Provident fund contributions	8.93	0.86

Defined Benefit Plans:

Gratuity

a) The Company offers its employees defined-benefit plans in the form of a gratuity scheme. Benefits under the defined benefit plans are based on years of service and the employee's compensation (immediately before retirement). Benefits payable to eligible employees of the Company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the balance sheet date.

b) This plan are typically expose the company to actuarial risk such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(c) Significant Actuarial Assumptions

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
a) Discount rate(s)	7.15%	7.23%
b) Expected rate(s) of salary increase	9.50%	9.78%
c) Mortality table used	100% of ILAM (2012-14)	100% of ILAM (2012-14)
d) Attrition rate		
-Below 30 years	41.99%	39.01%
-Ages 31-44 years	29.61%	26.75%
-Ages 44 & above	0.00%	0.00%
e) Rate of return on plan assets	N.A	N.A
f) Average remaining working lives of employees	26.36	26.87

The discount rate is based on prevailing market yields of Government of India bonds as at the valuation date balance sheet date for the expected term of obligation.

The estimates of future salary increases considered, takes into account the inflation, seniority, promotions and other relevant factors, such as supply and demand in the employment market.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

(d) The following tables sets out the funded status of the defined benefit scheme in respect of gratuity and amount recognised in the Standalone Financial Statements:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
I. Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:		
a) Current service cost	5.11	3.52
b) Past service cost and (gains)/losses from settlements	-	-
c) Net interest expense	0.70	0.23
Components of defined benefit costs recognised in profit or loss	**5.81**	**3.75**
Remeasurement on the net defined benefit liability		
a) Actuarial (gains)/loss arising form changes in financial assumptions	(0.13)	(0.25)
b) Actuarial (gains)/loss arising form changes in demographic assumptions	(0.58)	0.54
c) Actuarial (gains)/loss arising form experience adjustments	0.35	1.08
Components of defined benefit costs recognised in other comprehensive income	**(0.36)**	**1.37**
Total	**5.45**	**5.12**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of Profit and Loss and the remeasurement of the net defined benefit liability is included in 'Other comprehensive income'.

Particulars	As at March 31, 2023	As at March 31, 2022
I. Net Asset/(Liability) recognised in the Balance Sheet		
a) Present value of defined benefit obligation	14.96	9.71
b) Fair value of plan assets	-	-
c) Surplus/(Deficit)	**14.96**	**9.71**
d) Current portion of the above	1.78	0.80
e) Non current portion of the above	13.18	8.91

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
II. Change in the obligation during the year		
Present value of defined benefit obligation at the beginning of the year	9.71	4.59
Expenses Recognised in Profit and Loss Account		
- Current Service Cost	5.11	3.52
- Past Service Cost	-	-
- Interest expense (income)	0.70	0.23
Recognised in other comprehensive income		
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Financial assumptions	(0.13)	(0.25)
ii. Demographic assumptions	(0.58)	0.54
iii. Experience adjustments	0.35	1.08
Benefit payments	(0.20)	-
Present value of defined benefit obligation at the end of the year	**14.96**	**9.71**

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

(e) Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation by +/- 0.5%/+/- 1.00%, keeping all other actuarial assumptions constant:

Principal assumption	Changes in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
a) Discount rate			
As at March 31, 2023	0.5%	(0.42)	0.45
As at March 31, 2022	0.5%	(0.32)	0.34
b) Salary growth rate			
As at March 31, 2023	0.5%	0.36	(0.35)
As at March 31, 2022	0.5%	0.30	(0.29)

Notes:
i) The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.
ii) The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

(f) Maturity profile of defined benefit obligation:

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	1.78	0.80
1 - 2 year	2.69	1.39
2 - 3 year	1.80	1.75
3 - 4 year	1.28	1.39
4 - 5 year	0.95	1.13
5 year onwards	6.46	9.17

(g) The Company expects to make a contribution of Rs. 7.39 million to the defined benefit plan during the next financial year.

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

36 Related party transactions and balances

36.1. Names of related parties and related party relationships

Entity having control over the Company
NS Niketan LLP
SNS Infrarealty LLP

Subsidiaries
Smartworks Tech Solutions Private Limited [Formerly known as Smartworks Coliving Private Limited
Smartworks Office Services Private Limited
Smartworks Stellar Services Private Limited (w.e.f. [April 28, 2022])

Other related parties with whom transactions have taken place during the reporting periods

Entities where key management personnel (KMP) and their relatives exercise significant influence
Vision Comptech Integrators Limited
Smart IT Services Private Limited
SML Smart Technologies Private Limited
Talbot & Co
Talbotforce Services Private Limited
Kalyankari Commercial LLP
Kripa Merchandise LLP
Simran Merchandise LLP
Snow Well Merchandise LLP
Jagadhatri Vyapaar Pvt Ltd

Key management personnel
Neetish Sarda (Managing director)
Harsh Binani (Wholetime director)
Punam Dargar (Company secretary)

Relatives of key management personnel
Neeta Sarda
Saumya Binani

Others related parties*
Swarna Technology Private Limited
VOW ERP Solutions Private Limited

*These parties are either distant relatives of KMPs or companies where such relatives are directors / shareholders and these parties are strictly not related parties as per definition of Ind AS 24 – 'Related Party Disclosures'. Disclosure of transactions with such parties are solely included by way of a voluntary disclosure following best corporate governance practices followed by the company and hence such parties may not be disclosing these transactions as related party transaction in their financial statements / book of accounts.

b. Related party transactions

	Name of related party	For the year ended March 31, 2023	For the year ended March 31, 2022
Income from lease rental	Talbot & Co	0.15	0.15
	Talbotforce Services Private Limited	1.02	1.02
	Smartworks Tech Solutions Private Limited	0.19	0.05
	Smartworks Office Services Private Limited	0.07	0.05
	Swarna Technology Pvt. Ltd.	-	0.70
	VOW ERP Solutions Private Limited	1.19	0.37
Income from ancillary services	Talbot & Co	0.00	0.00
	Talbotforce Services Private Limited	0.10	0.11
	Swarna Technology Pvt. Ltd.	0.00	0.01
	VOW ERP Solutions Private Limited	0.06	0.00
	Smartworks Tech Solutions Private Limited	2.30	-
Sale of Assets	Vision Comptech Integrators Limited	-	14.44
	Smartworks Stellar Services Private Limited	1.30	-
Repayment of lease liability (Including interest)	Vision Comptech Integrators Limited	88.56	88.56
Building Maintenance	Vision Comptech Integrators Limited	29.52	29.52
	Talbotforce Services Private Limited	0.26	-
	Swarna Technology Pvt. Ltd.	0.18	0.15
Equipment hire charges	Smart IT Services Private Limited	5.02	6.43
	Talbot & Co	0.78	0.73
	Talbotforce Services Private Limited	2.37	2.75
	Swarna Technology Pvt. Ltd.	-	0.06
Information Technology Expenses	Swarna Technology Pvt. Ltd.	3.39	7.38
	Smartworks Tech Solutions Private Limited**	0.30	-
	Talbotforce Services Private Limited	0.03	-
	VOW ERP Solutions Private Limited	3.63	-

(All amounts are in millions of Indian Rupees, unless stated otherwise)

Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

	Name of related party	For the year ended March 31, 2023	For the year ended March 31, 2022
Housekeeping & Security Charges	Talbot & Co***	2.16	2.27
	Talbotforce Services Private Limited	631.51	334.30
Purchase Of Property, Plant and Equipment	Talbotforce Services Private Limited	3.94	-
	Swarna Technology Pvt. Ltd.	4.04	6.85
	Smart IT Services Private Limited	0.54	-
Expenditure made on behalf of Subsidiary	Smartworks Office Services Private Limited	-	0.00
Interest received on borrowings given	Smartworks Tech Solutions Private Limited	3.21	0.04
	Smartworks Stellar Services Private Limited	0.01	-
	Smartworks Office Services Private Limited	0.01	-
Interest paid on borrowings taken	SML Smart Technologies Private Limited	1.35	1.35
	Vision Comptech Integrators Limited	16.49	4.31
	Smartworks Stellar Services Private Limited	0.10	-
Reimbursements of other expenses	Vision Comptech Integrators Limited	29.82	28.28
	Talbotforce Services Private Limited	-	1.13
	Smartworks Tech Solutions Private Limited	36.55	20.05
Remuneration to KMP	Neetish Sarda	9.79	8.40
	Harsh Binani	9.36	7.20
	Punam Dargar	1.52	1.25
Investment in Subsidiary	Smartworks Stellar Services Private Limited	0.10	-
Security deposit taken	Smartworks Tech Solutions Private Limited	0.24	0.02
	Smartworks Office Services Private Limited	-	0.02
Loan given	Smartworks Tech Solutions Private Limited	66.36	3.85
	Smartworks Stellar Services Private Limited	1.21	-
	Smartworks Office Services Private Limited	0.15	-
Repayment of loans	Smartworks Tech Solutions Private Limited	2.46	-
	Smartworks Stellar Services Private Limited	1.21	-
	Smartworks Office Services Private Limited	0.00	-
Borrowings taken	Vision Comptech Integrators Limited	86.00	157.20
	Smartworks Stellar Services Private Limited	3.40	-
Borrowings repaid	Vision Comptech Integrators Limited	130.70	27.50
	Smartworks Stellar Services Private Limited	3.40	-

c. Related party outstanding balances

	Name of related party	As at March 31, 2023	As at March 31, 2022
Short term borrowings taken	SML Smart Technologies Private Limited	15.00	15.00
	Vision Comptech Integrators Limited	85.00	129.70
Short term borrowings given	Smartworks Tech Solutions Private Limited	69.18	3.89
	Smartworks Office Services Private Limited	0.15	-
Expenditure made on behalf of Subsidiary	Smartworks Office Services Private Limited	-	0.00
Advance from employee	Neetish Sarda	0.06	0.29
Advance to Trade Payables	Vision Comptech Integrators Limited	-	1.39
	Swarna Technology Pvt. Ltd.	5.57	1.07
Unbilled Revenue	Talbotforce Services Private Limited	-	0.07
	Smartworks Tech Solutions Private Limited	1.31	20.05
Trade payables	Talbot & Co	0.75	0.61
	Talbotforce Services Private Limited	322.91	89.48
	VOW ERP Solutions Private Limited	2.12	-
	Smart IT Services Private Limited	1.25	-

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

	Name of related party	As at March 31, 2023	As at March 31, 2022
Security deposit taken	Smartworks Tech Solutions Private Limited	0.25	0.02
	Smartworks Office Services Private Limited	0.02	0.02
Non-current investments	Smartworks Tech Solutions Private Limited	0.10	0.10
	Smartworks Office Services Private Limited	0.10	0.10
	Smartworks Stellar Services Private Limited	0.10	-
Advance from customers	Talbotforce Services Private Limited	-	0.01
	Swarna Technology Pvt. Ltd.	0.06	-
Trade receivables	Smartworks Tech Solutions Private Limited	36.99	0.05
	Smartworks Office Services Private Limited	-	0.05
	Swarna Technology Pvt. Ltd.	-	0.71
	VOW ERP Solutions Private Limited	0.67	0.37

Notes:
36.3.1. Refer note 20 for the guarantees issued by related parties for the Company.
36.3.2. The above transaction figures are inclusive of Taxes.
36.3.3. **These figures are excluding GST
36.3.4. ***These expenses are under RCM

d. Compensation of key management personnel

The remuneration of directors and other members including relatives of key management personnel during the year was as follows:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Short-term benefits	20.68	16.85
Post-employment benefits	3.91	2.24
Total	**24.59**	**19.09**

(This space has intentionally been left blank)

(All amounts are in millions of Indian Rupees, unless stated otherwise)

37 Financial instruments

37.1. Categories of financial instruments

Particulars	Level	As at March 31, 2023		As at March 31, 2022	
		FVTPL	Amortised cost	FVTPL	Amortised cost
Financial assets					
Trade receivables		-	141.30	-	105.02
Cash and cash equivalents		-	1,180.35	-	222.66
Other bank balances		-	954.79	-	796.77
Loans		-	69.33	-	3.89
Other financial assets		-	1,634.75	-	1,382.70
Financial liabilities					
Lease Liability		-	33,976.22	-	22,193.16
Borrowings		-	5,153.89	-	2,476.03
Trade payables		-	982.29	-	451.82
Other financial liabilities		-	3,618.26	-	1,987.76

At the end of the reporting period, there are no significant concentrations of credit risk for financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such Financial assets.
The fair value of instruments measured at amortised cost is equivalent to the carrying cost of financial instruments.

Particulars	Level	As at March 31, 2023		As at March 31, 2022	
		Fair value	Amortised cost	Fair value	Amortised cost
Other financial assets - Security deposits	Level 3	1,321.07	1,321.07	1,085.49	1,085.49
Other financial liabilities - Security deposits	Level 3	2,883.71	2,883.71	1,524.32	1,524.32

The fair value of Security deposits was estimated based on the contractual terms of the security deposits and parameters such as interest rates. Since, the data from any observable markets in respect of interest rates were not available, the interest rates were considered to be significant unobservable inputs to the valuation of these deposits.

37.1.1 Fair values hierarchy
Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

37.2. Financial risk management objectives
While ensuring liquidity is sufficient to meet Company's operational requirements, the Company's risk management committee also monitors and manages key financial risks relating to the operations of the Company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

37.2.1. Market Risk

37.2.1.1. Currency Risk
Currency risk is the risk or uncertainty arising from possible currency movements and their impact on the future cash flows of a business. There are no material currency risk affecting the financial position of the Company as there are no material transactions in currency other than functional currency of the Company.

37.2.1.2. Interest 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's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings keeping in view of current market scenario.

Interest rate risk exposure

The Company's variable rate borrowing is subject to interest rate fluctuations. Below is the overall exposure of the borrowing:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	4,982.79	1,961.57
Fixed rate borrowings	213.54	514.46

Sensitivity:

Profit or loss is sensitive to higher/ lower interest expense from variable rate borrowings as a result of changes in interest rates (for complete year on closing balance) :

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase by 1%	49.83	19.62
Decrease by 1%	(49.83)	(19.62)

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37.2.1.3. Credit risk management
Credit risk is the risk that a counterparty fails to discharge its obligation to the Company under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk mainly with respect to trade receivables, investment in mutual funds, bank deposits and bank balances.

37.2.2.1 Trade receivables
The trade receivables of the Company are typically non-interest bearing and derived from sales made to a large number of independent customers. As the customer base is widely distributed both economically and geographically, there is minimal concentration of credit risk. The credit period provided by the Company to its customers generally ranges from 7 days.

The management performs ongoing assessment of trade receivables for each customer basis the terms and conditions of each contract to identify the material breach. Facts and circumstances relevant to each customer are reviewed by the management to assess credit risk. Receivables are credit impaired to the extent unsecured and there is no convincing evidence establishing collection of consideration in near future.
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Where the financial asset has been written-off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in the statement of profit and loss.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Neither past due nor impaired	32.44	5.77
Past due but not impaired		
- Less than 30 days	39.02	22.14
- 30 to 60 days	9.37	7.75
- 60 to 90 days	3.87	0.96
- above 90 days	56.62	68.41

37.2.2.2 Other financial instruments and bank deposits
The Company's treasury, in accordance with the board approved policy, maintains its cash and cash equivalents, deposits and investment in mutual funds with banks, financial and other institutions, having good reputation and past track record, and high credit rating. Similarly, counter-parties of the Company's other receivables carry either no or very minimal credit risk. Further, the Company reviews the credit-worthiness of the counter-parties (on the basis of its ratings, credit spreads and financial strength) of all the above assets on an on-going basis, and if required, takes necessary mitigation measures.

37.2.3. Liquidity risk management
The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including bank deposits and availability of funding through an adequate amount of committed credit facilities, security deposits from customers to meet the obligations when due. Management monitors rolling forecasts of liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, liquidity management also involves projecting cash flows considering level of liquid assets necessary to meet obligations by matching the maturity profiles of financial assets & liabilities and monitoring balance sheet liquidity ratios.
The Company has incurred loss for the financial year ended March 31, 2023 of Rs. 997.61 million (Rs. 698.37 million for the financial year ended March 31, 2022) and as at that date, the current liabilities exceeded its current assets by Rs. 4,093.42 million (Rs. 2,574.09 million as at March 31, 2022). Management has undertaken initiatives to manage its liquidity position such as (a) maintaining the overall occupancy by retaining existing customers and utilising the security deposits which are classified as current liabilities; (b) shifting to bigger business centers for cost efficiency and higher revenue and (c) obtaining external borrowings and engaging in fund raising activities. Considering external funding arrangements with banks and other aforesaid initiatives, the management of the Company has concluded that it will have sufficient cash flows for operating the Company on a going concern basis.
The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The information included in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

Particulars	Less than 1 year	1 year – 5 years	More than 5 years	Total	Carrying Amount
As at March 31, 2023					
Non-Interest bearing					
Trade payable	982.29	-	-	**982.29**	982.29
Other financial liabilities	1,710.05	3,318.01	-	**5,028.06**	3,596.55
Fixed Interest rate instruments					
Borrowings (including interest)	120.34	98.31	0.10	**218.75**	213.89
Lease liabilities	5,644.68	23,786.90	20,318.45	**49,750.03**	33,976.22
Variable Interest rate instruments					
Borrowings (including interest)	2,470.81	3,449.63	-	**5,920.44**	4,960.51
Total	**10,928.17**	**30,652.85**	**20,318.55**	**61,899.57**	**43,729.46**
As at March 31, 2022					
Non-Interest bearing					
Trade payable	451.82	-	-	**451.82**	451.82
Other financial liabilities	1,171.36	1,012.61	-	**2,183.97**	1,979.98
Fixed Interest rate instruments					
Borrowings (including interest)	546.11	3.28	0.11	**549.50**	515.51
Lease liabilities	3,442.58	15,557.88	13,361.97	**32,362.43**	22,193.16
Variable Interest rate instruments					
Borrowings (including interest)	924.32	1,319.91	-	**2,244.23**	1,968.30
Total	**6,536.19**	**17,893.68**	**13,362.08**	**37,791.95**	**27,108.77**

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37.2.4. Fair value measurement
There are no financial asset / liabilities that are measured at fair value.

37.2.5. Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

				Non - Cash items		
Balance sheet caption	**Statement of cash flows line item**	**April 1, 2022**	**Cash flows (net)**	**Addition on account of ROU (Net of termination)**	**Reclassification to Trade Payables**	**March 31, 2023**
Lease liabilities	Repayment of lease liability	22,193.16	(3,876.38)	15,644.04	15.40	33,976.22
Borrowings	Proceeds/repayments of borrowings (including short term)	1,930.64	2,306.94	-	-	4,237.58

38 Capital Management

The purpose of the Company's capital management is to maintain an optimal capital structure to reduce the Cost of capital.

Management monitors capital on the basis of the carrying amount of equity and net debt (adjusted for cash and cash equivalents) as presented on the face of balance sheet.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Borrowings	5,196.34	2,483.81
Less: Cash and cash equivalents	(1,180.35)	(222.66)
Less: Bank deposits (includes deposits under lien)	(2,030.67)	(1,074.55)
Net Debt (A)	**1,985.32**	**1,186.60**
Total Equity	**328.99**	**1,142.64**
Capital and Net Debt (B)	**2,314.31**	**2,329.24**
Gearing ratio (A/B)	**85.78%**	**50.94%**

Note:
38.1 Net debt does not include lease liability.

39 The Board of Directors have not declared any dividend and accordingly has not made any apportionment with respect to dividend for cumulative convertible preference shares amounting to Rs. 25.44 million (March 31, 2022 Rs. 12.72 million) in the Standalone Financial Statements for year ending March 31, 2023 & March 31, 2022 respectively.

40 The Company did not grant any loan or advance in the nature of loans to any of its promoters, directors, KMPs or other related parties, as defined under the Companies Act, 2013, in the current year and in the previous year.

41 Relationship with struck off companies

Relationship with struck off Company	**Nature of transactions**	**Name of struck off company**	**Balance outstanding as at March 31, 2023**	**Balance outstanding as at March 31, 2022**
Customer	Trade receivables	Estivus Overseas Management Private Limited	0.04	0.04
		Invanto India Private Limited	0.03	-
Vendor	Trade Payables	Chinni Beverages Private Limited	0.03	0.04
		Security & Intelligence Gaurd Services Private Limited	-	0.09
		Aazain Infotech Private Limited	0.02	-
	Capital Advances	Spcs Technologies India Private Limited	0.22	0.22

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Notes forming part of the Standalone Financial Statements as at and for the year ended March 31, 2023

42 Ratios

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Remarks for variance more than 25%
Current Ratio [no. of times]	Current Assets	Current Liabilities	0.47	0.41	14.63%	Not Applicable
Debt-equity ratio [no. of times]*	Non-current borrowings (+) current borrowings (-) cash and cash equivalents	Equity	8.46	1.07	690.65%	Increase on account of addition in borrowings
Debt service coverage ratio [no. of times]	Profit before depreciation, amortisation, finance costs, exceptional items and tax	Interest expenses (+) principal repayments of long-term debt (+) payment of lease liabilities	0.63	1.27	(50.39%)	Decrease on account of addition in borrowings
Return on equity ratio - [no. of times]	Loss for the year	Average Equity	(1.36)	(0.47)	(189.36%)	Decrease on account of significant increase in loss during the year
Trade receivables turnover ratio - [no. of times]	Revenue from operations	Average trade receivables	57.63	41.02	40.47%	Increase on account of increase in revenue
Trade payable turnover ratio - [no. of times]	Purchases of services and other expenses	Average trade payables	3.41	3.90	(12.60%)	Not applicable
Net capital turnover ratio - [no. of days]	Revenue from operations	Average working capital (i.e. current assets- current liabilities)	(1.73)	(1.28)	35.16%	Increase on account of decrease in working capital
Net profit ratio (%)	Loss for the year	Revenue from operations	(0.14)	(0.19)	26.32%	Increase on account of increase in revenue
Return on capital employed (%)	Adjusted EBIT	Average Capital Employed**	0.33	0.12	175.00%	Increase on account of increase in EBIT

* excluding lease liabilities
** Average Capital Employed = Average of (Equity + Net Debt - Current Investments)

43 Events occurring after reporting period

Subsequent to year end, the Company has obtained additional borrowings amounting Rs. 533.33 million (March 31, 2022-Rs. 1,705.97 million) in the form of term loans / working capital loan from financial institutions. Further, the Company has obtained unsecured inter-corporate deposit amounting to Rs. Nil from related party (March 31, 2022-Rs. 103.5 million)

44 Other Statutory Information

(i) The Company do not have any Benami property,where any proceeding has been initiated or pending against the Company for holding any Benami property.
(ii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(iii) The Company have 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"
(iv) The Company have 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
(v) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(vi) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
(vii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

Deloitte Haskins & Sells LLP
Chartered Accountants

Smartworks Coworking Spaces Private Limited

For and on behalf of the Board of Directors of Smartworks Coworking Spaces Private Limited

Neetish Sarda
Managing Director
DIN: 07262894
Place: Gurgaon
Date: September 29, 2023

Harsh Binani
Wholetime Director
DIN: 07717396
Place: Gurgaon
Date: September 29, 2023

Punam Dargar
Company Secretary
Place: Gurgaon
Date: September 29, 2023