

C-EDGE TECHNOLOGIES LIMITED

Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non - current assets			
Property, plant and equipment	8(a)	3,525.40	3,411.98
Capital work-in-progress		244.00	-
Right-of-use assets	7	1,216.84	173.70
Financial assets			
Other financial assets	6(d)	5,733.72	185.88
Income tax asset (net)		462.45	776.41
Deferred tax assets (net)	15	61.10	-
Other assets	8(b)	606.25	453.86
Total non-current assets		11,849.76	5,001.83
Current assets			
Financial assets			
Trade receivables	6(a)	8,318.97	7,516.93
Unbilled receivables		865.86	2,042.29
Cash and cash equivalents	6(b)	12,840.64	8,687.40
Other cash balances with bank	6(b)(i)	2,000.00	-
Loans	6(c)	1.22	6,862.97
Other financial assets	6(d)	274.03	1,171.67
Other assets	8(b)	1,794.39	1,799.77
Total current assets		26,095.11	28,081.03
TOTAL ASSETS		37,944.87	33,082.86
EQUITY AND LIABILITIES			
Equity			
Share capital	6(i)	1,000.00	1,000.00
Other equity	6(i)	26,685.75	23,552.13
Total equity		27,685.75	24,552.13
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		892.22	121.00
Unearned and deferred revenues		902.77	446.17
Employee benefit obligation	11 (ii) (a)	227.74	239.33
Deferred tax liability (net)	15	-	72.21
Total non-current liabilities		2,022.73	878.71
Current liabilities			
Financial liabilities			
Lease liabilities		264.79	72.61
Trade and other payables			
Dues of micro and small enterprises	6(e)	236.28	320.28
Dues of creditors other than micro enterprises and small enterprises		4,398.42	4,466.76
Other financial liabilities	6(f)	354.49	114.94
Unearned and deferred revenues		812.56	816.28
Employee benefit obligation	11 (ii) (b)	152.45	86.49
Income tax liabilities (net)		677.53	817.51
Other liabilities	8(c)	1,339.87	957.15
Total current liabilities		8,236.39	7,652.02
TOTAL EQUITY AND LIABILITIES		37,944.87	33,082.86

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

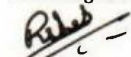
1-22

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm's registration number : 101248W/W-100022



Rajiv Shah

Partner

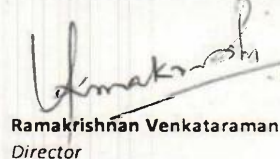
Membership number : 112878



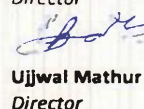
Jambunathan Narayanan
Chief Executive Officer

Mumbai, April 26, 2021

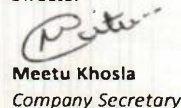
For and on behalf of the Board of C-Edge Technologies Limited



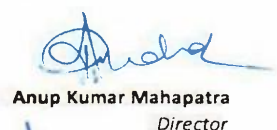
Ramakrishnan Venkataraman
Director



Ujjwal Mathur
Director



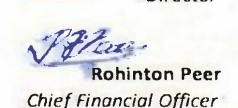
Meetu Khosla
Company Secretary



Anup Kumar Mahapatra
Director



Devendra Kumar
Director



Rohinton Peer
Chief Financial Officer

C-EDGE TECHNOLOGIES LIMITED

Statement of Profit and Loss

(₹ in lakhs)

	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	9	30,306.12	29,411.29
Other income	10	852.05	897.63
Sale of business	10a	-	750.00
TOTAL INCOME		31,158.17	31,058.92
Expenses:			
Employee benefits expenses	11(i)	5,484.26	5,551.97
Finance costs	14	39.67	78.27
Depreciation and amortisation expense		1,623.35	1,460.55
Other expenses	12	14,336.25	13,165.42
TOTAL EXPENSES		21,483.53	20,256.21
PROFIT BEFORE TAX		9,674.64	10,802.71
Tax expense:			
Current tax	15	2,590.52	2,657.80
Deferred tax	15	(137.38)	(0.92)
Total tax expenses		2,453.14	2,656.88
PROFIT FOR THE YEAR		7,221.50	8,145.83
OTHER COMPREHENSIVE INCOME / (LOSSES)			
Items that will not be reclassified subsequently to the statement of profit and loss.			
Remeasurement of defined employee benefit plans		16.20	(1.47)
Income tax on item that will not be reclassified subsequently to the statement of profit and loss		(4.08)	0.37
TOTAL OTHER COMPREHENSIVE INCOME / (LOSSES)		12.12	(1.10)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		7,233.62	8,144.73
Earnings per equity share- Basic and diluted (₹)	19	72.22	81.46
Weighted average number of equity shares		10,000,000	10,000,000
Face value per equity share (₹)		10	10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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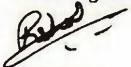
As per our report of even date attached

For and on behalf of the Board of C-Edge Technologies Limited

For B S R & Co. LLP

Chartered Accountants


Firm's registration number : 101248W/W-100022



Rajiv Shah

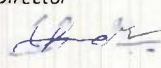
Partner

Membership number : 112878



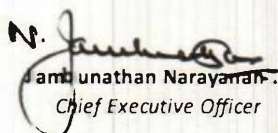
Ramakrishnan Venkataraman

Director



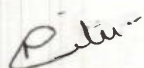
Ujjwal Mathur

Director



Ambunathan Narayanan

Chief Executive Officer



Meetu Khosla

Company Secretary



Anup Kumar Mahapatra

Director



Devendra Kumar

Director



Rohinton Peer

Chief Financial Officer

Mumbai, April 26, 2021

C-EDGE TECHNOLOGIES LIMITED
Statement of Changes in Equity

A EQUITY SHARE CAPITAL

(₹ in lakhs)		
Balance as on April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
1,000.00	-	1,000.00

(₹ in lakhs)		
Balance as on April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,000.00	-	1,000.00

*Refer note 6(i)

B OTHER EQUITY

(₹ in lakhs)	
	Retained earnings
Balance as at April 1, 2019	18,915.45
Transition impact of Ind AS 116 (net of tax)	(11.95)
Restated balance as at April 1, 2019	18,903.50
Profit for the year	8,145.83
Other comprehensive income	(1.10)
Total comprehensive income	27,048.23
Dividend	(2,900.00)
Tax on dividend	(596.10)
Balance as at March 31, 2020	23,552.13
Balance as at April 1, 2020	23,552.13
Profit for the year	7,221.50
Other comprehensive income	12.12
Total comprehensive income	30,785.75
Dividend	(4,100.00)
Balance as at March 31, 2021	26,685.75

Nature and purpose of reserves

a. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-22

As per our report of even date attached

For and on behalf of the Board of C-Edge Technologies Limited

For B S R & Co. LLP

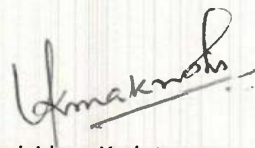
Chartered Accountants

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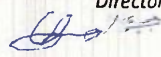

Rajiv Shah

Partner

Membership number : 112878


Ramakrishnan Venkataraman

Director


Ujjwal Mathur

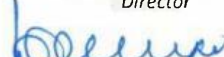
Director

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Company Secretary


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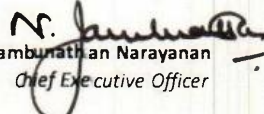
Director


Devendra Kumar

Director

Rohinton Peer

Chief Financial Officer


Jambunathan Narayanan
Chief Executive Officer

Mumbai, April 26, 2021

C-EDGE TECHNOLOGIES LIMITED
Statement of Cash Flows

(₹ in lakhs)

I CASH FLOWS FROM OPERATING ACTIVITIES

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit for the year	7,221.50	8,145.83
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Sale of ATM business	-	(750.00)
Depreciation and amortisation expense	1,623.35	1,460.55
Net gain on lease modification	-	(11.72)
Liability no longer required	-	(44.06)
Bad debts written off, allowance for doubtful trade receivables and advances (net)	306.12	407.46
Tax expense	2,453.14	2,656.88
Interest income	(853.00)	(824.12)
Finance costs	39.67	78.27
Operating profit before working capital changes	10,790.78	11,119.09
Net change in		
Trade receivables	(1,108.15)	(747.39)
Unbilled receivables	1,176.43	(1,464.54)
Other financial assets and other assets	574.05	(72.15)
Trade payables, liabilities and provisions	287.93	175.45
Unearned and deferred revenues	452.88	197.45
Cash generated from operations	12,173.92	9,207.91
Taxes paid (net of refunds)	(2,359.45)	(2,949.05)
Net cash provided by operating activities	9,814.47	6,258.86

II CASH FLOWS FROM INVESTING ACTIVITIES

Inter-corporate deposits placed	-	(6,861.99)
Inter-corporate deposits matured	6,861.99	4,500.00
Bank deposits placed	(7,600.00)	-
Payment for purchase of property, plant and equipment	(1,554.96)	(911.45)
Interest received	895.17	969.45
Net cash used in Investing activities	(1,397.80)	(2,303.99)

III CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid (including tax on dividend in previous year)	(4,100.00)	(3,496.10)
Repayment of lease liabilities	(129.16)	(170.15)
Repayment of finance lease liability	-	(76.29)
Interest paid	(34.27)	(78.27)
Net cash used in financing activities	(4,263.43)	(3,820.81)
Net change in cash and cash equivalents	4,153.24	134.06
Cash and cash equivalents at the beginning of the year	8,687.40	8,553.34
Cash and cash equivalents at the end of the year (Refer note 5(b))	12,840.64	8,687.40

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-22

Note: The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'


As per our report of even date attached

For and on behalf of the Board of C-Edge Technologies Limited

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

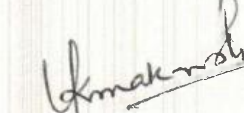
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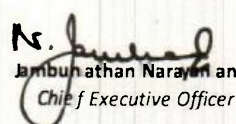

Rajiv Shah

Partner


Membership number : 112878

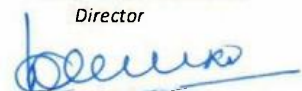

Ramakrishnan Venkataraman
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Chief Executive Officer


Meetu Khosla
Company Secretary


Anup Kumar Mahapatra
Director


Deven dra Kumar
Director


Rohinton Peer
Chief Financial Officer

Mumbai, April 26, 2021

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

1) Corporate information

C-Edge Technologies Limited (herein referred to as 'the Company') is a subsidiary of Tata Consultancy Services Limited ('TCS' or 'Holding Company') which owns 51% of the equity shares. The balance 49% of the equity shares are owned by State Bank of India ('SBI' or 'Significant Shareholder'). The main objects of the Company are to provide information technology related services and solutions; to develop, procure, license / sublicense and supply computer software and to design, manufacture, procure, supply hardware and to develop, customize and adapt any software for its own use or for the use of multiple users and to provide computer hardware / software maintenance services.

The Company is a public limited company incorporated and domiciled in India. The address of the Corporate office is 2nd floor, Nitco Biz Park, Road No. 16U, Wagle Industrial Estate, Thane (West) - 400 604.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on April 26, 2021.

2) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time .

3) Basis of preparation

These financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values at the end of each reporting period and employee retirement obligations as explained in the accounting policies below. Historical cost is generally based on fair value of consideration given in exchange of goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle . Based on the nature of services rendered to customer and time elapsed between deployment of resources and realisation in cash and cash equivalents of the consideration for such a services rendered, the Company has considered an operating cycle of 12 months.

The statement of cash flows have been prepared under indirect method.

The financial statements have been prepared in Indian Rupee (₹) which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

The significant accounting policies used in preparation of the financial statements have been discussed in the respective notes.

4) Use of estimates and judgements

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

The Company uses the following critical accounting estimates in preparation of its financial statements:

a) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

b) Provision for income tax and deferred tax assets

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances while determining the provision for income tax. A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Accordingly, the Company exercises its judgement to reassess the carrying amount of deferred tax assets at the end of each reporting period.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

c) Provisions and contingent liabilities

The Company estimates the provisions that have present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

d) Employee benefits

The accounting of employee benefit obligations in nature of defined benefit requires the Company to use assumptions. These assumptions have been explained under employee benefits note.

e) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirement of Ind AS 116. Identification of a lease require significant judgements. The Company uses significant judgement in assessing the term (including anticipated renewals) and the applicable discount rate

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and the periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

f) Impact of COVID-19

The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts and impact on leases. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

5) Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

6) Financial assets, financial liabilities and equity instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets or liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial assets or financial liability.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between assets carrying amount and the sum of consideration received or receivable or the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit and loss if such gain or loss would have otherwise been recognised in the statement of profit and loss on disposal of that financial asset.

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

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents also consists of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if their financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial asset and the contractual terms of the financial assets give rise at specified dates to the cash flows that are solely payments of principal and interest on the principal amount outstanding and selling financial assets.

Financial assets at fair value through profit and loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

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

Impairment of Financial assets (other than at fair value)

The Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. The Company recognises lifetime expected losses for all contract assets and all trade receivables that do not constitute a financing transaction. Financial instrument (Ind AS 109) requires expected credit losses to be measured through a loss allowance. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance of trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. For all other financial assets, expected credit losses are measured at the amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

6) (a) Trade receivables

Trade receivables (unsecured) consist of the following:

Current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Considered good	8,318.97	7,516.93
Credit impaired	507.85	242.12
Less: Allowance for doubtful trade receivables	(507.85)	(242.12)
	8,318.97	7,516.93

Above balances of trade receivables include balances with related parties (Refer note 18)

(b) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balances with banks		
In current accounts	4,020.77	54.36
In deposit accounts with original maturity less than 3 months	8,819.87	8,633.04
	12,840.64	8,687.40

(b)(i) Other bank balances with bank

Other balances with bank consists of the following:

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Short term bank deposits	2,000.00	-
	2,000.00	-

(c) Loans

Loans receivable (unsecured) consist of the following :

(i) Loans - current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Considered good		
(a) Advances to employees	1.22	0.98
(b) Inter- corporate deposits	-	6,861.99
	1.22	6,862.97

Inter-corporate deposits placed with financial institutions yield fixed interest rate.

(d) Other financial assets

Other financial assets consist of the following :

(i) Other financial assets - Non - current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Security deposits	133.72	185.88
Bank deposit more than 12 months	5,600.00	-
	5,733.72	185.88

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(ii) Other financial assets - current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Security deposits	64.75	69.05
(b) Interest receivable	209.28	352.62
(c) Receivables from sale of ATM business (Refer note 20)	-	750.00
	274.03	1,171.67

e) Micro and small enterprises

	(₹ in lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Principal	Interest	Principal	Interest
Amount due to vendors	236.28	-	320.28	-
Principal amount paid (includes unpaid) beyond the appointed date	-	-	-	-
Interest due and payable for the year	-	-	-	-
Interest accrued and remaining unpaid (includes interest disallowable of ₹ NIL lakhs (March 31, 2020: ₹ NIL lakhs))	-	-	-	-

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.

(f) Other financial liabilities

Other financial liabilities consists of the following :

Other financial liabilities - current

	(₹ lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Accrued payroll	101.92	114.94
(b) Capital creditors	252.57	-
	354.49	114.94

(g) Financial instruments by category

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 5 to the financial statements.

The carrying value of financial instruments by categories as of March 31, 2021 is as follows :

	(₹ in lakhs)		
	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	12,840.64	12,840.64
Trade receivables	-	8,318.97	8,318.97
Unbilled receivables	-	865.86	865.86
Deposits	-	7,600.00	7,600.00
Loans	-	1.22	1.22
Other financial assets	-	407.75	407.75
Total	-	30,034.44	30,034.44

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Financial liabilities			
Trade and other payables	-	4,634.70	4,634.70
Lease liabilities	-	1,157.01	1,157.01
Other financial liabilities	-	354.49	354.49
Total	-	6,146.20	6,146.20

The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

	(₹ in lakhs)		
	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	8,687.40	8,687.40
Trade receivables	-	7,516.93	7,516.93
Unbilled receivables	-	2,042.29	2,042.29
Loans*	-	6,862.97	6,862.97
Other financial assets	-	1,357.55	1,357.55
Total	-	26,467.14	26,467.14
Financial liabilities			
Trade and other payables	-	4,787.04	4,787.04
Lease liabilities	-	193.61	193.61
Other financial liabilities	-	114.94	114.94
Total	-	5,095.59	5,095.59

* Loans include inter-corporate deposits of ₹ 6,861.99 lakhs, with original maturity period within 12 months.

Measurement of fair value

The management assessed the fair values of cash and cash equivalents, trade receivables, unbilled receivables, loan receivables, other financial assets, trade payable and other financial liabilities at their carrying amounts due to short term maturities of these instruments.

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. The financial assets & liabilities of the company come under Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(h) Financial risk management

The Company is exposed primarily to credit, liquidity and interest rate risk which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which covers risks associated with the financial assets and liabilities. The focus of the Board is to assess the unpredictability of the financial environment and to mitigate potential adverse effects on the financial performance of the Company.

a) Interest rate risk

The Company investments are primarily in fixed rate interest bearing investments. Hence the company is not significantly exposed to interest rate risk.

b) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, unbilled receivable and other financial assets. Inter - corporate deposits ₹ NIL lakhs as on March 31, 2021 (March 31, 2020 : ₹ 6,861.99 lakhs) are with a financial institution having a high credit - rating assigned by credit rating agencies.

The Company's exposure to customers is diversified and there are no customers other than the Holding Company and the Significant Shareholder who contribute to more than 10% of outstanding trade receivable and unbilled revenue as at March 31, 2021 and March 31, 2020. None of the other financial instruments of the Company result in material concentration of credit risk.

The Company has a geographic concentration of trade receivables, net of allowances and unbilled revenue in India.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

c) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligation. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company consistently generated sufficient cash flows from operations to meet its financial obligations including lease liabilities as and when they fall due.

The tables below provide details regarding the contractual maturities of significant financial liabilities as at :

	(₹ in lakhs)				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
March 31, 2021					
Trade and other payables	4,634.70	-	-	-	4,634.70
Lease liabilities	327.35	287.24	535.62	164.61	1,314.82
Other financial liabilities	354.49	-	-	-	354.49
	5,316.54	287.24	535.62	164.61	6,304.01
March 31, 2020					
Trade and other payables	4,787.04	-	-	-	4,787.04
Lease liabilities	86.07	90.37	38.42	-	214.86
Other financial liabilities	114.94	-	-	-	114.94
	4,988.05	90.37	38.42	-	5,116.84

d) Foreign currency exchange rate risk

The Company's exposure to foreign currency risk is not material.

(i) Equity instrument

The authorised, issued, subscribed and fully paid-up share capital comprises of :

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(a) Authorised :		
4,00,00,000 equity shares of ₹ 10 each	4,000.00	4,000.00
(March 31, 2020 : 4,00,00,000 equity shares of ₹ 10 each)		
	4,000.00	4,000.00
(b) Issued, subscribed and paid-up:		
1,00,00,000 equity shares of ₹ 10 each	1,000.00	1,000.00
(March 31, 2020 : 1,00,00,000 equity shares of ₹ 10 each)		
	1,000.00	1,000.00

i) Reconciliation of number of shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in lakhs)	Number of shares	Amount (₹ in lakhs)
Equity shares				
Opening balance	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued during the year	-	-	-	-
Closing balance	1,00,00,000	1,000.00	1,00,00,000	1,000.00

ii) Rights, preferences and restrictions attached to shares

Equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held and carry a right to dividend. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Equity shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Holding	Number of shares	Holding
Tata Consultancy Services Limited (holding company)	51,00,000	51%	51,00,000	51%
State Bank Of India (significant shareholder)	49,00,000	49%	49,00,000	49%

Other equity

Other equity consist of the following :

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
(i) Retained earnings		
Opening balance	23,552.13	18,915.45
Transition impact of Ind AS 116 (net of tax)	-	(11.95)
(ii) Profit for the year	7,221.50	8,145.83
(iii) OCI Impact and remeasurement of defined employee benefit plans	12.12	(1.10)
(iv) Appropriation :		
(v) Less :		
(a) Dividend on equity shares	(4,100.00)	(2,900.00)
(b) Tax on dividend	-	(596.10)
	26,685.75	23,552.13

7) Leases

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.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease-by-lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 16 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

The details of the right-of-use asset held by the Company is as follows:

	(₹ in lakhs)	
	Additions for the year ended March 31, 2021	Net carrying amount as at March 31, 2021
Buildings	1,216.39	1,216.84
	1,216.39	1,216.84

	(₹ in lakhs)	
	Additions for the year ended March 31, 2020	Net carrying amount as at March 31, 2020
Buildings	-	173.70
	-	173.70

Depreciation on right - of - use assets is as follows :

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Buildings	173.24	71.87
	173.24	71.87

Interest on lease liabilities is ₹ 39.67 lakhs and ₹ 78.27 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively.

The Company incurred ₹ 241.63 lakhs and ₹ 128.95 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 405.06 lakhs and ₹ 377.37 lakhs for the year ended March 31, 2021 and March 31, 2020 respectively , including cash outflow for short term and low value leases.

Lease contracts entered by the Company majorly pertains for premises taken on lease to conduct its business in the ordinary course. The Company does not have any lease restrictions and commitments towards variable rent as per contract.

8) (a) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Cost of an item of property, plant and equipment comprises of its purchases price including non refundable taxes, after deducting trade discount and any directly attributable cost of bringing the item to its working condition for its intended use. Depreciation is provided for property, plant and equipment on straight line basis so as to expense the cost less residual value over their estimated useful lives based on a technical evaluation. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

The estimated useful lives are as mentioned below:

Type of the asset	Useful life
Office equipment	5 - 10 years
Furniture and fixtures	5 years
Computers	4 years
Leasehold improvements	Lease term

Depreciation is not recorded on capital work-in-progress until construction and installation is complete and the asset is ready for its intended use.

Property, plant and equipment with finite life are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Gross Block as at April 1, 2020	Additions	Disposals	Gross block as at March 31, 2021	Accumulated depreciation as at April 1, 2020	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2021	Net carrying amount as at March 31, 2021	Net carrying amount as at March 31, 2020
Computer equipment	8,872.56	1,471.11	-	10,343.67	(5,672.64)	(1,384.68)	-	(7,057.32)	3,286.35	3,199.92
Office equipment	183.33	26.46	-	209.79	(73.03)	(20.79)	-	(93.82)	115.97	110.30
Furniture and fixtures	110.64	0.81	-	111.45	(76.62)	(11.93)	-	(88.55)	22.90	34.02
Leasehold Improvements	118.83	65.15	-	183.98	(51.09)	(32.71)	-	(83.80)	100.18	67.74
Total	9,285.36	1,563.53	-	10,848.89	(5,873.38)	(1,450.11)	-	(7,323.49)	3,525.40	3,411.98

* ₹ 1,563.53 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2021.

Description	Gross Block as at April 1, 2019	Additions	Disposals	Gross block as at March 31, 2020	Accumulated depreciation as at April 1, 2019	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2020	Net carrying amount as at March 31, 2020	Net carrying amount as at March 31, 2019
Computer equipment	8,045.48	1,142.34	315.26	8,872.56	(4,821.68)	(1,166.22)	(315.26)	(5,672.64)	3,199.92	3,223.80
ATM related equipment*	2,846.72	-	2,846.72	-	(2,846.72)	-	(2,846.72)	-	-	-
Office equipment	180.44	2.89	-	183.33	(51.71)	(21.32)	-	(73.03)	110.30	128.73
Furniture and fixtures	105.02	5.62	-	110.64	(62.22)	(14.40)	-	(76.62)	34.02	42.80
Leasehold Improvements	118.83	-	-	118.83	(23.09)	(28.00)	-	(51.09)	67.74	95.74
Total	11,296.49	1,150.85	3,161.98	9,285.36	(7,805.42)	(1,229.94)	(3,161.98)	(5,873.38)	3,411.98	3,491.07

* ATM related equipment capitalised as assets are under finance lease. (Refer note 20)

* ₹ 1,150.85 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2020.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(b) Other assets

Other assets consist of the following :

(i) Other assets - Non - current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Considered good		
(a) Contract fulfillment cost *	601.74	431.67
(b) Prepaid expenses	4.51	22.19
	606.25	453.86

(ii) Other assets - current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
(a) Contract fulfillment cost *	622.25	245.81
(b) Prepaid expenses	107.76	342.43
(c) Indirect taxes recoverable	1,044.38	1,029.47
(d) Advance to suppliers	20.00	182.06
	1,794.39	1,799.77

* Contract fulfillment costs of ₹ 832.10 lakhs and ₹ 232.84 lakhs for the years ended March 31, 2021 and 2020, respectively, have been amortized in the statement of profit and loss.

(c) Other liabilities

Other liabilities consists of the following :

(i) Other liabilities - current

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Advance received from customers	88.66	94.84
Indirect taxes payable and other statutory liabilities	1,251.21	862.31
	1,339.87	957.15

9) Revenue recognition

The Company earns revenue primarily from providing IT services and business solutions.

The Company's contracts with customers could include commitment to transfer multiple products and services to a customer. The Company assesses the products / services committed in a contract and identifies distinct performance obligations in the contract including whether a performance obligation is satisfied at a point in time or over a period of time. Judgement is required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. . The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the each reporting period.

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

- Revenue from time and material and job contracts is recognized on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue from ASP (Applications Service Provider) platforms are recognized as the services are performed and amount earned. Revenue is recognised on a time elapsed mode and revenue is straight lined over the period of performance. Amounts are considered to be earned once evidence of an agreement or contractual arrangement has been obtained, services are delivered and collectability is reasonably assured.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

- Revenue from the supply of third party equipment or software is recognized at the point in time when control is transferred to the customer net of applicable taxes and duties.

Contract fulfilment costs

Contract fulfilment costs are generally expensed as incurred except for certain software license costs which meet the criteria for capitalisation. Such costs are amortized over the contractual period or useful life of the license whichever is less. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

Revenue is measured based on the transaction price, which is the consideration as specified in the contract with the customer. Revenue excludes taxes collected from customers.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

The Company disaggregates revenue from contracts with customers by industry verticals and nature of services.

Other income comprises of interest income for financial instruments namely bank and corporate deposits measured at amortised cost which is recorded on accrual basis.

Revenue from operations

The Company generates revenue from consultancy services and sale of equipment to the Banking, Financial Services and Insurance (BFSI) sector in India.

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Information technology and consultancy services	29,900.67	28,897.52
(b) Sale of equipment	405.45	513.77
	30,306.12	29,411.29

The Company has applied practical expedient of not disclosing the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognized corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

The Company does not have any contract assets.

Movement in contract liabilities is given below:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	1,262.45	1,065.01
Less : Revenue recognised that was included in contract liability balance at the beginning	(798.36)	(487.36)
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue	1,251.24	684.80
Closing balance	1,715.33	1,262.45

For the current year, the revenue recognised in the statement of profit and loss equals to the contracted price.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

10) Other income

Other income (net) consist of the following:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Interest income	809.67	824.12
(b) Others	42.38	73.51
	852.05	897.63
Interest income comprises :		
Interest on bank deposits	421.64	419.49
Interest on financial asset carried at amortised cost	330.94	404.63
Interest revenue - Income tax refunds	57.09	-
Others income comprises :		
Net foreign exchange (loss)/gain	(0.95)	0.03
Gain on modification of lease	-	11.72
Liability no longer required (Finance lease liability)	-	44.06
Others	43.33	17.70

10) a) Sale of business

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Proceeds from sale of business (Refer note 20)	-	750.00
	0.00	750.00

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

11) Employee benefits

i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Past service cost, both vested and unvested, is recognised as an expense at the earlier of (a) when the plan amendment or curtailment occurs; and (b) when the entity recognises related restructuring costs or termination benefits.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service 'past service cost' or 'past service gain' or the gain or loss on curtailment is recognised immediately in profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii) Defined contribution plan

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

iv) Other employee benefit obligations

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date.

i) Employee benefit expenses consist of the following:

- (a) Salaries ,Incentives and allowances
- (b) Contribution to provident and other funds
- (c) Staff welfare expenses

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Salaries ,Incentives and allowances	5,151.52	5,174.63
(b) Contribution to provident and other funds	236.66	247.78
(c) Staff welfare expenses	96.08	129.56
	5,484.26	5,551.97

Employee benefit obligation consist of the following :

(ii)(a) Employee benefit obligations - non current

Gratuity Liability

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Gratuity Liability	227.74	239.33
	227.74	239.33

(ii)(b) Employee benefit obligation - current

Gratuity Liability
Other employee benefit obligations

	(₹ in lakhs)	
	As at March 31, 2021	As at March 31, 2020
Gratuity Liability	45.07	22.75
Other employee benefit obligations	107.38	63.74
	152.45	86.49

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Employee benefit plans consists of the following :

i) Defined contribution plans

Provident fund

In accordance with Indian law, the Company's employees are entitled to receive benefits under the provident fund plan in which both the employee and employer (at a determined rate) contribute monthly.

These are plans in which the Company pays pre-defined amounts to separate funds (provident fund and pension fund) and does not have any legal or informal obligation to pay additional sums. The Company offers its employees defined contribution plan in the form of provident fund and family pension fund. Provident fund and family pension fund covers substantially all regular employees. While both, the employee and the Company pay predetermined contributions into the provident fund, contribution into the family pension fund are made by only the Company. The contribution is based on certain proportion of employee's salary. Contributions to Provident Fund are made to The Regional Provident Fund Commissioner for qualifying employees.

The Company contributed ₹ 176.27 lakhs (March 31, 2020 : ₹ 183.76 lakhs) for provident fund during the year ended March, 31 2021.

Gratuity

In accordance with Indian law, the Company operate a scheme of Gratuity which is a defined benefit plan and is wholly unfunded. The gratuity plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days' salary payable for each completed year of service. Vesting occurs upon completion of five continuous years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

The following table sets out the details of the defined benefit retirement plans and the amount recognised in the financial statements :

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Change in benefit obligations		
Benefit obligations, beginning of the year	262.08	224.94
Service cost	33.57	35.60
Interest cost	17.02	16.31
Benefits paid	(23.66)	(16.24)
Actuarial (Gains) / losses recognized in OCI	(16.20)	1.47
Benefit obligations, end of the year	272.81	262.08
Service cost	33.57	35.60
Net interest on net defined benefit (assets)/liabilities	17.02	16.31
Net periodic gratuity cost	50.59	51.91

The Company has no plan assets.

The assumptions used in accounting for the defined benefit plan are set out below :

Discount rate	5.50%	6.50%
Salary escalation rate	4.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

Future mortality assumptions are taken based on the published statistics by the Insurance Regulatory and Development Authority of India.

Attrition rate

i) If Services <= 5 years	38.61%	37.54%
ii) If Services > 5 years	9.73%	7.35%

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Remeasurement of net defined benefit liability / (asset)

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (gains) and losses arising from changes in demographic assumptions	1.72	(12.72)
Actuarial (gains) and losses arising from changes in financial assumptions	(17.58)	15.83
Actuarial (gains) and losses arising from changes in experience adjustments	(0.34)	(1.64)
Remeasurement of net defined benefit liability / (asset)	(16.20)	1.47

The expected benefits are based on the same assumptions as used to measure the Company's defined benefit obligations as at March 31, 2021.

Remeasurement (gain) / loss of the defined benefit obligation of ₹ 16.20 lakhs and ₹ 1.47 lakhs for the years ended March 31, 2021 and March 31, 2020 has been accounted in other comprehensive income.

The significant actuarial assumptions for determination of defined benefit obligation are the discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the period, while holding all other assumptions constant.

If the discount rate increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Increase of 0.50%	(7.90)	(10.75)
Decrease of 0.50%	8.42	11.59

If the expected salary growth increases / decreases by 0.50%, the defined benefit obligations would increase / (decrease) as follows:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Increase of 0.50%	8.50	11.59
Decrease of 0.50%	(8.05)	(10.85)

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognised in the balance sheet.

The defined benefit obligations shall mature after year ended March 31, 2021 as follows :

Year ending March 31,	Defined benefit obligation (₹ in lakhs)
2022	45.07
2023	29.22
2024	26.20
2025	26.22
2026	21.49
2027 to 2031	97.26

12) Cost recognition

Cost and expenses are recognised when incurred and have been classified according to their nature.

The costs of the company are broadly categorised in employee benefit expenses, other expenses and depreciation and amortisation. Employee benefit expenses include employee compensation, allowances paid, contribution to various funds and staff welfare expenses. Other expenses majorly include fees to external consultants, commission expenses, cost of facility running, communication expenses, allowance for doubtful trade receivables and other expenses.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Other expenses consist of the following:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Fees to external consultants	1,357.63	1,291.91
(b) Software and material costs	4,505.57	4,129.63
(c) Communication expenses	6,613.61	5,678.75
(d) Travelling and conveyance expenses	19.44	92.22
(e) Facility and hosting charges	786.02	687.65
(f) Repairs and maintenance	153.57	231.18
(g) Electricity expenses	111.61	142.04
(h) Bad debts written off, allowance for trade receivable and advance (net)	306.12	407.46
(i) Security charges	46.91	40.02
(j) Corporate Social Responsibility*	224.39	110.73
(k) Others (includes Auditor's remuneration referred to in note 12)	211.38	353.83
	14,336.25	13,165.42

*As per section 135 of the Companies Act, 2013, amount required to be spent by the company during the year ended March 31, 2021 and 2020 is ₹ 195.82 lakhs and ₹ 157.33 lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 224.39 lakhs and ₹ 110.73 lakhs during the year ended March 31, 2021 and 2020, respectively, towards CSR expenditure. The Company has spent an amount of ₹ 28.55 lakhs during the year ended March 31, 2021 which pertains to approved CSR projects of the previous year.

13) Auditor's remuneration

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
For services as statutory auditors	5.90	4.75
For other services	2.36	2.32
For reimbursement of out-of-pocket expenses	0.33	0.25
	8.59	7.32

Inclusive of indirect taxes input credit has been / will be availed.

14) Finance cost

Finance costs consist of the following:

	(₹ in lakhs)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense	39.67	78.27
	39.67	78.27

15) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

i) Current income taxes

Current tax is measured based on taxable profit for the year and is computed in accordance with the Income Tax Act, 1961 using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after offsetting advance taxes paid and income tax provisions arising in the same tax jurisdictions.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

ii) Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and the Company can settle current tax liabilities and assets on a net basis.

The income tax expense consists of the following:

Income tax recognised in the statement of profit and loss

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Current tax:		
Current tax expense for current year	2,617.46	2,700.50
Current tax expense pertaining to prior years	(26.94)	(42.70)
	2,590.52	2,657.80
Deferred tax expense / (benefit)	(137.38)	(0.92)
Total income tax expense recognised in the current year	2,453.14	2,656.88

Income tax expense recognised in OCI

Deferred tax on remeasurement of defined employee benefit plan.	(4.08)	0.37
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The reconciliation of estimated income tax expense at statutory income tax rate to income tax expense reported in statement of profit or loss is as follows:

	(₹ in lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit before taxes	9,674.64	10,802.71
Indian statutory income tax rate	25.170%	25.170%
Expected income tax expense	2,435.11	2,719.04
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(a) Current tax expense pertaining to prior years	(26.94)	(42.70)
(b) Disallowance under section 37		
(i) CSR expenses	56.48	13.97
(c) Lower rate on capital gains tax	-	(35.17)
(d) Other permanent differences	-	(14.04)
(e) Difference due to tax rate change	-	(22.97)
(f) Finance lease liability reversal	-	42.05
(g) Others (net)	(11.51)	(3.30)
Total income tax expense	2,453.14	2,656.88

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2021 are as follows:

	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	(₹ in lakhs) Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	(245.30)	48.74	-	-	(196.56)
Lease obligations	11.43	4.00	-	-	15.44
Provision for Employee benefit	100.71	17.76	(4.08)	-	114.39
Provision for receivables, loans and advances	60.95	66.88	-	-	127.83
Total deferred tax assets / (liabilities)	(72.21)	137.38	(4.08)	-	61.10

Gross deferred tax assets and liabilities are as follows:

	Assets	Liabilities	(₹ in lakhs) Net
As at March 31, 2021			
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(196.56)	(196.56)
Lease obligations	15.44	-	15.44
Provision for Employee benefit	114.39	-	114.39
Provision for receivables, loans and advances	127.83	-	127.83
Net deferred tax assets / (liabilities)	257.66	(196.56)	61.10

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2020 are as follows:

	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	(₹ in lakhs) Closing balance
Deferred tax assets/ (liabilities) in relation to:					
Property, plant and equipment	(282.55)	37.25	-	-	(245.30)
Lease obligations	46.78	(41.77)	-	6.42	11.43
Provision for Employee benefit	104.57	(4.23)	0.37	-	100.71
Provision for receivables, loans and advances	51.28	9.67	-	-	60.95
Total deferred tax assets / (liabilities)	(79.92)	0.92	0.37	6.42	(72.21)

Gross deferred tax assets and liabilities are as follows:

	Assets	Liabilities	(₹ in lakhs) Net
As at March 31, 2020			
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(245.30)	(245.30)
Finance lease obligations	11.43	-	11.43
Provision for Employee benefit	100.71	-	100.71
Provision for receivables, loans and advances	60.95	-	60.95
Net deferred tax assets / (liabilities)	173.09	(245.30)	(72.21)

16) Segment information

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chief Executive Officer.

The Company has been operating largely in one business segment viz. Banking, Financial Services and Insurance (BFSI). The activities of the Company are conducted only in one geographic segment viz India. Therefore, the disclosure requirements of the Ind AS 108 on "Segment Reporting" are not applicable.

17) Commitments and contingencies

The company has contractually committed (net of advances) ₹ 102.51 lakhs as at March 31, 2021 (March 31, 2020 : ₹ NIL lakhs) for purchase of property, plant and equipment.

Contingencies

Indirect tax matters

The Company has received a demand notice from the Office of the Commissioner of Goods and Service Tax dated September 03, 2020 demanding ₹ 304.38 lakhs which the Company has claimed as transition benefits u/s 140 of the Central Goods and Service Tax Act, 2017. The Company has filed an appeal before the Appellate Authority after making payment of 10% of the confirmed demand, i.e. ₹ 30.44 lakhs.

Since the Appellate Authority has upheld the base demands, consequential interest and penalties have also been upheld via order in appeal dated April 05, 2021, the next recourse available to the company is to file an appeal within three months of constitution of the Appellate Tribunal, as also clarified by CBIC vide Circular 132/2/2020 – GST dated 18.03.2020.

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

18) Related Party Disclosures

The Company's material related party transactions and outstanding balances are with its Holding Company and Significant Shareholder with whom the Company routinely enters into transactions in the ordinary course of business.

a) Related parties and their relationship

Ultimate Holding Company	Tata Sons Private Limited
Holding Company	Tata Consultancy Services Limited
Significant shareholder	State Bank of India
Key Management Personnel	Jambunathan Narayanan - Chief Executive Officer
	Dhananjaya Tambe - Designated Chief Executive Officer (w.e.f February 01, 2021)
	Meetu Khosla - Company Secretary (w.e.f. February 19, 2021)
	Riddhi Desai - Company Secretary* (till February 18, 2021)
	Rohinton Peer - Chief Financial Officer*

b) Transactions with the related parties

Transactions with related parties are as follows:

For the year ended March 31, 2021 and March 31, 2020

(₹ in lakhs)

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
i) Revenues from operation	8,607.60	531.73	-	9,139.33
	8,715.53	310.37	-	9,025.90
ii) Managerial remuneration	-	-	124.30	124.30
	-	-	115.39	115.39
iii) Other operating expenses	1,532.91	-	-	1,532.91
	1,572.68	-	-	1,572.68
iv) Interest income	-	280.64	-	280.64
	-	375.29	-	375.29
v) Dividend paid	2,091.00	2,009.00	-	4,100.00
	1,479.00	1,421.00	-	2,900.00

c) Balances with related parties

As at March 31, 2021 and March 31, 2020

(₹ in lakhs)

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
1 Trade payables	943.87	-	30.06	973.93
	1,166.25	-	20.88	1,187.13
2 Trade receivables	4,222.72	106.94	-	4,329.66
	4,959.13	167.50	-	5,126.63
3 Balances with bank	-	12,840.64	-	12,840.64
	-	8,687.39	-	8,687.39
4 Unbilled receivables	357.20	375.34	-	732.54
	285.52	267.82	-	553.34
5 Unearned and deferred revenues	171.74	-	-	171.74
	287.88	-	-	287.88
6 Prepaid expenses	-	-	-	0.00
	29.66	-	-	29.66
7 Interest receivable	-	77.62	-	77.62
	-	155.78	-	155.78

* The key management personnel of the Company are on deputation and draw remuneration from Tata Consultancy Services Limited. Service charges are payable by the Company to Tata Consultancy Services Limited.

Figures in italics in the above tables pertain to March 31, 2020.

19) Earning per share (EPS)

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

	Year ended March 31, 2021	Year ended March 31, 2020
Profit for the year (₹ in lakhs)	7,222	8,146
Weighted average number of equity shares	10,000,000	10,000,000
Earning per share basic and diluted (₹)	72	81
Face value per equity share (₹)	10	10

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

20) Sale of ATM business

On 7th February 2011, the Company entered into an agreement, which was subsequent extended on 21 July 2014 and 12 April 2017, with State Bank of India (SBI) for managing 440 Automatic teller machines (ATM)s. On 28 March 2011, the Company entered into a finance lease agreement with First Leasing Company of India Limited (FLC) for procurement of the aforesaid ATMs. FLC was liquidated in June 2014, after which the Company has continued to pay lease rentals to Liquidator of FLC as appointed by the Chennai High Court.

On 1 August 2017, the Company entered into a Business Transfer Agreement (BTA) with Electronic Payment and Services Private Limited (EPS) to sell its SBI ATM business (business) at an agreed consideration of ₹ 750.00 lakhs. Within 180 days from the BTA, the consideration was to be deposited by EPS in an Escrow account with Kotak Mahindra bank which will be released when the Company transfers the title of the assets and on execution of the confirmation agreement between EPS and SBI. The BTA provides for a further extension of the time period on such terms as may be mutually agreed between the Company and EPS.

As at 31 March 2019, the agreement between EPS and the Company was not consummated since the transfer of title of ATM assets were pending with the Chennai High Court.

In the previous year, the Chennai High Court passed an order dated November 11th, 2019 for the valuation of ATM assets to be ₹ 76.29 lakhs which was duly paid by the Company. Subsequently, the Company transferred these assets to EPS vide letter dated January 29th, 2020 and March 19th, 2020.

On March 19th, 2020, the Company and EPS have submitted the release letter to Kotak Mahindra Bank instructing them to release the amount of sale proceeds of ₹ 750.00 lakhs along with interest.

Consequently, the Company has recognised ₹ 750.00 lakhs along with interest of ₹ 44.21 lakhs in its financial statement as an exceptional item on Sale of ATM business.

- 21)** The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact.

22) Subsequent event

Dividend paid during the year ended March 31, 2021 pertains to final dividend for the year ended March 31, 2020.

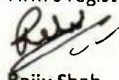
The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly the Retained Earnings reported in these financial statements may not be fully distributable. As at March 31, 2021, income available for distribution were ₹ 26,685.75 lakhs. On April 26, 2021 the Board of Directors of the Company have proposed a final dividend of ₹ 37.00 per equity share in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 3,700.00 lakhs.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

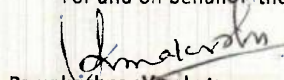
Firm's registration number : 101248W/W-100022


Rajiv Shah

Partner


Membership number : 112878

For and on behalf of the Board of C-Edge Technologies Limited

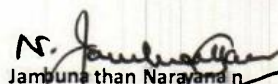

Ramakrishnan Venkataraman
Director




Ujjwal Mathur
Director


Anup Kumar Mahapatra
Director


Devendra Kumar
Director


Jambunathan Narayanan
Chief Executive Officer


Meetu Khosla
Company Secretary


Rohinton Peer
Chief Financial Officer

Mumbai, April 26, 2021