

C-Edge Technologies Limited

Financial Statements

together with

Independent Auditor's Report

for the year ended 31 March 2022

C-Edge Technologies Limited

Financial Statements together with Independent Auditor's Report *for the year ended 31 March 2022*

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To the Members of C-Edge Technologies Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of C-Edge Technologies Limited (hereinafter referred to as “the Company”), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, aforesaid financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.



Independent Auditor's Report (*Continued*)

C-Edge Technologies Limited

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.



Independent Auditor's Report (*Continued*)

C-Edge Technologies Limited

Auditor's Responsibilities for the Audit of the Financial Statements (*Continued*)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



Independent Auditor's Report (*Continued*)

C-Edge Technologies Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 17 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
 - d)
 - (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
 - (iii) Based on such audit procedures as 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 (d) (i) and (d) (ii) contain any material mis-statement.
 - e) The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.



Independent Auditors' Report (*Continued*)

C-Edge Technologies Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act:

According to the information and explanations given to us, no remuneration has been paid by the Company to any of its directors. Accordingly, provisions of Section 197 of the Act relating to remuneration to directors are not applicable. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Chartered Accountants

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



Jaclyn Desouza

Partner

Membership No: 124629

UDIN: 22124629AHTTFQ6828

Mumbai
25 April 2022

C-Edge Technologies Limited

Annexure A to the Independent Auditor's report on the financial statements

(Referred to our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(B) The Company does not have any Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In accordance with this programme, Computers were verified during the year and no material discrepancies have been noticed on such verification. Further, all other classes of property, plant and equipment were not verified due to disruption arising from COVID 19 and the Company has represented to us they have extended the programme of physical verification by one more year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its fixed assets.
- (c) The Company does not have any immovable property (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) during the year. The Company does not have any intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is service company, primarily rendering information technology related solution. Accordingly, it does not hold any physical inventory. Accordingly, paragraph 3(ii)(a) of the order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.



C-Edge Technologies Limited

Annexure A to the Independent Auditor's report on the financial statements (Continued)

- (iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has neither made any investments nor given any loans, or provided guarantee or security and therefore the relevant provisions of Section 185 and Section 186 of the Act are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

- (vii) (a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. As explained to us, the Company did not have any dues of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited with the appropriate authorities..

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Provident Fund, Employees State Insurance, Income-Tax, or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute. The following dues of Goods and Service Tax, have been deposited by the Company on account of dispute:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)**	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Goods and Service Tax Act	GST	213.07	2017	Joint Commissioner	None

**The amount is net of amount paid under protest of Rs. 91.31 Lakhs

As explained to us, the Company did not have any dues of Customs.

C-Edge Technologies Limited

Annexure A to the Independent Auditor's report on the financial statements (Continued)

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Act. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.



C-Edge Technologies Limited

Annexure A to the Independent Auditor's report on the financial statements (Continued)

- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



C-Edge Technologies Limited

Annexure A to the Independent Auditor's report on the financial statements **(Continued)**

- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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



Jaclyn Desouza

Partner

Mumbai
25 April 2022

Membership No: 124629

UDIN: 22124629AHTTFQ6828

C-Edge Technologies Limited

Annexure B to the Independent Auditor's Report on the financial statements

Report on the internal financial controls with reference to the aforesaid financial statements

(Referred our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of C-Edge Technologies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditors' Responsibility

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

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



C-Edge Technologies Limited

Annexure B to the Independent Auditors' Report on the financial statements (Continued)

Auditors' Responsibility (Continued)

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Jaclyn Desouza

Partner

Mumbai
25 April 2022

Membership No: 124629
UDIN: 22124629AHTTFQ6828

C-EDGE TECHNOLOGIES LIMITED
Balance Sheet

		(₹ in lakhs)	
	Note	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non - current assets			
Property, plant and equipment	8(a)	3,013.92	3,525.40
Capital work-in-progress		-	244.00
Right-of-use assets	7	901.69	1,216.84
Financial assets			
Trade receivables			
Billed	6(a)	208.23	354.74
Unbilled		15.33	61.56
Other financial assets	6(d)	78.73	5,703.28
Income tax asset (net)		802.82	462.45
Deferred tax assets (net)	15	225.67	61.10
Other assets	8(b)	380.84	636.69
Total non-current assets		5,627.23	12,266.06
Current assets			
Financial assets			
Trade receivables			
Billed	6(a)	5,918.55	7,964.23
Unbilled		1,734.04	804.30
Cash and cash equivalents	6(b)(i)	13,609.97	12,840.64
Other cash balances with bank	6(b)(ii)	10,195.45	2,000.00
Loans	6(c)	3.74	1.22
Other financial assets	6(d)	747.07	274.03
Other assets	8(b)	1,545.69	1,794.39
Total current assets		33,754.51	25,678.81
TOTAL ASSETS		39,381.74	37,944.87
EQUITY AND LIABILITIES			
Equity			
Share capital	6(j)	1,000.00	1,000.00
Other equity	6(k)	30,261.19	26,685.75
Total equity		31,261.19	27,685.75
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities		649.87	892.22
Unearned and deferred revenues		396.54	902.77
Employee benefit obligation	11 (ii) (a)	57.37	227.74
Total non-current liabilities		1,103.78	2,022.73
Current liabilities			
Financial liabilities			
Lease liabilities		242.35	264.79
Trade and other payables			
Dues of micro and small enterprises	6(e)	-	236.28
Dues of creditors other than micro enterprises and small enterprises			
Other financial liabilities	6(f)	3,860.77	4,398.42
Other financial liabilities	6(g)	17.17	354.49
Unearned and deferred revenues		1,514.08	812.56
Other liabilities	8(c)	742.79	1,339.87
Employee benefit obligation	11 (ii) (b)	399.45	152.45
Income tax liabilities (net)		240.16	677.53
Total current liabilities		7,016.77	8,236.39
TOTAL EQUITY AND LIABILITIES		39,381.74	37,944.87

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1-22

As per our report of even date attached

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

Chartered Accountants

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


Jaclyn Desouza


Partner

Membership number : 124629

Mumbai, April 25, 2022

For and on behalf of the Board


Ramakrishnan Venkataraman
Director


Ujjwal Mathur
Director


Aarti Salekar
Company Secretary


Ravindra Pandey
Director


Mihir Mishra
Director


Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2022


Dhananjaya Tambe
Chief Executive Officer



C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

		(₹ in lakhs)	
	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	9	32,651.45	30,306.12
Other income	10	927.23	853.00
TOTAL INCOME		33,578.68	31,159.12
Expenses:			
Employee benefits expenses	11(i)	6,002.86	5,484.26
Finance costs	14	64.05	39.67
Depreciation and amortisation expense		2,022.63	1,623.35
Other expenses	12	15,664.23	14,337.20
TOTAL EXPENSES		23,753.77	21,484.48
PROFIT BEFORE TAX		9,824.91	9,674.64
Tax expense:			
Current tax	15	2,656.90	2,590.52
Deferred tax	15	(150.19)	(137.38)
Total tax expenses		2,506.71	2,453.14
PROFIT FOR THE YEAR		7,318.20	7,221.50
OTHER COMPREHENSIVE (LOSSES) / INCOME			
Items that will not be reclassified subsequently to profit and loss.			
Remeasurement of defined employee benefit plans		(57.14)	16.20
Income tax on item that will not be reclassified subsequently to the statement of profit and loss		14.38	(4.08)
TOTAL OTHER COMPREHENSIVE (LOSSES) / INCOME		(42.76)	12.12
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		7,275.44	7,233.62
Earnings per equity share- Basic and diluted (₹)	19	73.18	72.22
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 1-22


As per our report of even date attached

For and on behalf of the Board

For **BSR & Co. LLP**

Chartered Accountants

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




Jady Desouza

Partner

Membership number : 124629


Mumbai, April 25, 2022


Ramakrishnan Venkataraman
Director



Ujjwal Mathur
Director


Dhananjaya Tambe
Chief Executive Officer


Aarti Salekar
Company Secretary


Ravindra Pandey
Director


Mihir Mishra
Director


Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2022



C-EDGE TECHNOLOGIES LIMITED
Statement of Changes in Equity

A EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as on April 1, 2021	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
1,000.00	-	1,000.00	-	1,000.00

(₹ in lakhs)

Balance as on April 1, 2020	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
1,000.00	-	1,000.00	-	1,000.00

*Refer note 6(i)

B OTHER EQUITY

(₹ in lakhs)

	Retained earnings
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
Balance as at April 1, 2021	26,685.75
Profit for the year	7,318.20
Other comprehensive income	(42.76)
Total comprehensive income	33,961.19
Dividend	(3,700.00)
Balance as at March 31, 2022	30,261.19

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

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

Chartered Accountants

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



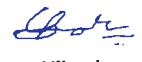
Jaclyn Desouza

Partner

Membership number : 124629


Mumbai, April 25, 2022


Ramakrishnan Venkataraman
Director



Ujjwal Mathur
Director


Dhananjaya Tambe
Chief Executive Officer


Aarti Salekar
Company Secretary


Ravindra Pandey
Director


Mihir Mishra
Director


Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2022



C-EDGE TECHNOLOGIES LIMITED
Statement of Cash Flows

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
I CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	7,318.20	7,221.50
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	2,022.63	1,623.35
Tax expense	2,506.71	2,453.14
Bad debts written off, allowance for doubtful trade receivables and advances (net)	456.84	265.73
Interest income	(919.96)	(853.00)
Finance costs	64.05	39.67
Operating profit before working capital changes	11,448.47	11,056.51
Net change in		
Trade receivables		
Billed	1,735.35	(1,373.88)
Unbilled	(883.51)	1,176.43
Other financial assets and other assets	509.56	574.05
Trade payables, liabilities and provisions	(1,421.89)	287.93
Unearned and deferred revenues	195.29	452.88
Cash generated from operations	11,583.27	12,173.92
Taxes paid (net of refunds)	(3,436.12)	(2,359.45)
Net cash provided by operating activities	8,147.15	9,814.47
II CASH FLOWS FROM INVESTING ACTIVITIES		
Inter-corporate deposits matured	-	6,861.99
Bank deposits matured	2,000.00	-
Bank deposits placed	(4,595.45)	(7,600.00)
Payment for purchase of property, plant and equipment	(1,204.57)	(1,554.96)
Interest received	451.04	895.17
Net cash used in investing activities	(3,348.98)	(1,397.80)
III CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid (including tax on dividend in previous year)	(3,700.00)	(4,100.00)
Repayment of lease liabilities	(264.79)	(129.16)
Repayment of finance lease liability	-	-
Interest paid	(64.05)	(34.27)
Net cash used in financing activities	(4,028.84)	(4,263.43)
Net change in cash and cash equivalents	769.33	4,153.24
Cash and cash equivalents at the beginning of the year	12,840.64	8,687.40
Cash and cash equivalents at the end of the year (Refer note 5(b))	13,609.97	12,840.64
Components of cash and cash equivalents		
In current accounts	862.22	4,020.77
In deposit accounts	12,747.75	8,819.87
	13,609.97	12,840.64

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'

Refer note 12(j) for amount spent during the years ended March 31, 2022 and 2021 on construction / acquisition of any asset and other purposes relating to CSR activities.

As per our report of even date attached

For and on behalf of the Board

For BSR & Co. LLP

Chartered Accountants

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

Jaclyn Desouza

Jaclyn Desouza

Partner

Membership number : 124629

Mumbai, April 25, 2022

Ramkrishnan Venkataraman
Ramkrishnan Venkataraman
Director

Ujjwal Mathur
Ujjwal Mathur
Director

Dhananjaya Tambe
Dhananjaya Tambe
Chief Executive Officer

Aarti Salekar
Aarti Salekar
Company Secretary

Ravindra Pandey
Ravindra Pandey
Director

Mihir Mishra
Mihir Mishra
Director

Rohinton Peer
Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2022



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 Nitco Biz Park, 2nd floor, Road No. 16U, Wagle Industrial Estate, Thane (West) - 400 604.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorised for issue on April 25, 2022.

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, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expense associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value to be cash equivalents.

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.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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) 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 (pandemic)

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

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 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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.

6) (a) Trade receivables

Trade receivables - Billed (unsecured) consist of the following:

Trade receivables - Billed – Non-current

	(₹ in lakhs)
	As at
	March 31, 2022
	March 31, 2021
Considered good	208.23
Credit impaired	329.82
Less: Allowance for doubtful trade receivables	(329.82)
	208.23
	354.74

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

Ageing for trade receivables – non-current outstanding as at March 31, 2022 is as follows:

	(₹ in lakhs)
	Not due
	Less than 6 months
	6 months - 1 year
	1 - 2 years
	2 - 3 years
	More than 3 years
	Total
Undisputed trade receivables – considered good	-
Undisputed trade receivables – which have significant increase in credit risk	-
Undisputed trade receivables – credit impaired	-
Disputed trade receivables – considered good *	-
Disputed trade receivables – which have significant increase in credit risk *	-
Disputed trade receivables – credit impaired *	-
	393.08
Less: Allowance for doubtful trade receivables - Billed	121.25
	23.72
	538.05
	(329.82)
	208.23
Trade Receivables - unbilled	15.33
	223.56

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Ageing for trade receivables – non-current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						(₹ in lakhs)
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables – considered good	-	-	-	220.81	61.47	72.46	354.74
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	354.55	124.04	29.25	507.84
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
Less: Allowance for doubtful trade receivables - Billed	-	-	-	575.36	185.51	101.71	862.58
							(507.84)
Trade Receivables - unbilled							354.74
							61.56
							416.30

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

Trade receivables - Billed (unsecured) consist of the following:

Trade receivables - Billed – Current

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Considered good	5,918.55	7,964.23
Credit impaired	428.01	-
Less: Allowance for doubtful trade receivables	(428.01)	-
	5,918.55	7,964.23

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

Ageing for trade receivables – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						(₹ in lakhs)
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables – considered good	1,591.22	4,082.88	244.45	-	-	-	5,918.55
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	85.62	197.36	145.03	-	-	-	428.01
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
Less: Allowance for doubtful trade receivables - Billed	1,676.84	4,280.24	389.48	-	-	-	6,346.56
							(428.01)
Trade Receivables - unbilled							5,918.55
							1,734.04
							7,652.59

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Ageing for trade receivables – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						(₹ in lakhs)
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed trade receivables – considered good	3,355.64	3,643.39	965.20	-	-	-	7,964.23
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good *	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk *	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired *	-	-	-	-	-	-	-
	3,355.64	3,643.39	965.20	-	-	-	7,964.23
Less: Allowance for doubtful trade receivables - Billed							-
Trade Receivables - unbilled							7,964.23
							804.30
							8,768.53

* Disputed Trade Receivables pertain to those parties where a legal claim has been filed in any court in India.

(b)(i) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Balances with banks		
In current accounts	862.22	4,020.77
In deposit accounts with original maturity less than 3 months	12,747.75	8,819.87
	13,609.97	12,840.64

(b)(ii) Other bank balances with bank

Other balances with bank consists of the following:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Short term bank deposits	10,195.45	2,000.00
	10,195.45	2,000.00

(c) Loans

Loans receivable (unsecured) consist of the following :

(i) Loans - current

Considered good

(a) Advances to employees

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
	3.74	1.22
	3.74	1.22

(d) Other financial assets

Other financial assets consist of the following :

(i) Other financial assets - Non - current

Security deposits

Bank deposit more than 12 months

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
	78.73	103.28
	-	5,600.00
	78.73	5,703.28



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(ii) Other financial assets - current

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Security deposits	81.47	64.75
(b) Interest receivable	665.60	209.28
	747.07	274.03

e) Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2022 and March 31, 2021 is as under:

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Dues remaining unpaid to any supplier		
Principal	-	50.66
Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(f) Trade payables

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					(₹ in lakhs)
	Not due					Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME *	-	-	-	-	-	-
Others	339.22	146.17	-	-	133.47	618.86
Disputed dues - MSME *•	-	-	-	-	-	-
Disputed dues - Others •	-	-	-	-	-	-
Accrued expenses	339.22	146.17	-	-	133.47	618.86
						3,241.91
						3,860.77

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

• Disputed Trade Payables pertain to those parties where a legal claim has been filed in any court in India.

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					(₹ in lakhs)
	Not due					Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME *	-	32.28	-	-	18.38	50.66
Others	287.95	456.76	-	-	142.04	886.75
Disputed dues - MSME *•	-	-	-	-	-	-
Disputed dues - Others •	-	-	-	-	-	-
Accrued expenses **	287.95	489.04	-	-	160.42	937.41
						3,697.29
						4,634.70

*MSME as per the Micro, Small and Medium Enterprises Development Act, 2006.

** Includes payables to MSME vendors.

• Disputed Trade Payables pertain to those parties where a legal claim has been filed in any court in India.

(g) Other financial liabilities

Other financial liabilities consists of the following :

Other financial liabilities - current

	(₹ lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Accrued payroll	17.17	101.92
(b) Capital creditors	-	252.57
	17.17	354.49



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(h) 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 6 to the financial statements.

The carrying value of financial instruments by categories as of March 31, 2022 is as follows :

	(₹ in lakhs)		
	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	13,609.97	13,609.97
Trade receivables	-		
Billed	-	6,126.78	6,126.78
Unbilled	-	1,749.37	1,749.37
Deposits	-	10,195.45	10,195.45
Loans	-	3.74	3.74
Other financial assets	-	825.80	825.80
Total	-	26,384.33	26,384.33
Financial liabilities			
Trade and other payables	-	3,860.77	3,860.77
Lease liabilities	-	892.22	892.22
Other financial liabilities	-	17.17	17.17
Total	-	4,770.16	4,770.16

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	-		
Billed	-	8,318.97	8,318.97
Unbilled	-	865.86	865.86
Loans	-	1.22	1.22
Other financial assets	-	5,977.31	5,977.31
Total	-	28,004.00	28,004.00
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

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.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(i) 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.

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 receivables as at March 31, 2022 and March 31, 2021. 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 in India.

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 :

	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
(₹ in lakhs)					
March 31, 2022					
Trade and other payables	3,860.77	-	-	-	3,860.77
Lease liabilities	287.24	261.27	438.95	-	987.46
Other financial liabilities	17.17	-	-	-	17.17
	4,165.18	261.27	438.95	-	4,865.40
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

d) Foreign currency exchange rate risk

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



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(j) Equity instrument

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

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(a) Authorised :		
4,00,00,000 equity shares of ₹ 10 each (March 31, 2021 : 4,00,00,000 equity shares of ₹ 10 each)	4,000.00	4,000.00
	4,000.00	4,000.00
(b) Issued, subscribed and paid-up:		
1,00,00,000 equity shares of ₹ 10 each (March 31, 2021 : 1,00,00,000 equity shares of ₹ 10 each)	1,000.00	1,000.00
	1,000.00	1,000.00

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

i) Reconciliation of number of shares

	As at March 31, 2022		As at March 31, 2021	
	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.

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

Equity shares

	As at March 31, 2022		As at March 31, 2021	
	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%

iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Shares held by promoters at the end of the year				% Change during the year
Sr. no.	Promoter name	No. of shares	% of total shares	
1	Tata Consultancy Services Limited (holding company)	51,00,000	51	-
2	State Bank Of India (significant shareholder)	49,00,000	49	-
Total		1,00,00,000	100	-

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Shares held by promoters at the end of the year				% Change during the year
Sr. no.	Promoter name	No. of shares	% of total shares	
1	Tata Consultancy Services Limited (holding company)	51,00,000	51	-
2	State Bank Of India (significant shareholder)	49,00,000	49	-
Total		1,00,00,000	100	-



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(k) Other equity

Other equity consist of the following :

	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
(i) Retained earnings		
Opening balance		
(ii) Profit for the year	26,685.75	23,552.13
(iii) OCI Impact and remeasurement of defined employee benefit plans	7,318.20	7,221.50
(iv) Appropriation :	(42.76)	12.12
(v) Less :		
(a) Dividend on equity shares	(3,700.00)	(4,100.00)
	30,261.19	26,685.75

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.



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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, 2022	Net carrying amount as at March 31, 2022
Buildings	-	901.69
	-	901.69

	(₹ 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	1216.84

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

	(₹ in lakhs)	
	Year ended March 31, 2022	Year ended March 31, 2021
Buildings	315.15	173.24
	315.15	173.24

Interest on lease liabilities is ₹ 62.56 lakhs and ₹ 39.67 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively.

The Company incurred ₹ 4.00 lakhs and ₹ 241.63 lakhs for the year ended March 31, 2022 and March 31, 2021 respectively towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 331.35 lakhs and ₹ 405.06 lakhs for the year ended March 31, 2022 and March 31, 2021 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) Non-financial assets and non-financial liabilities

(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:

<u>Type of the asset</u>	<u>Useful life</u>
Office equipment	5 - 10 years
Buildings (Leasehold)	Lease term
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

Property, plant and equipment consist of the following:

Description	Gross Block as at		Disposals	Gross block as at		Accumulated depreciation as at		Depreciation for the year on disposals	Accumulated depreciation as at March 31, 2022	Net carrying amount as at	
	April 1, 2021	Additions		March 31, 2022	April 1, 2021	March 31, 2022	March 31, 2021			March 31, 2022	March 31, 2021
Computers	10,343.67	1,112.31	-	11,455.98	(7,057.32)	(1,624.96)	-	-	(8,682.28)	2,773.70	3,286.35
Office equipment	209.79	59.54	-	269.33	(93.82)	(25.72)	-	-	(119.54)	149.79	115.97
Furniture and fixtures	111.45	-	-	111.45	(88.55)	(10.80)	-	-	(99.35)	12.10	22.90
Leasehold Improvements	183.98	24.15	-	208.13	(83.80)	(46.00)	-	-	(129.80)	78.33	100.18
Total	10,848.89	1,196.00	-	12,044.89	(7,323.49)	(1,707.48)	-	-	(9,030.97)	3,013.92	3,525.40

* ₹ 1196.00 lakhs has been capitalised and transferred to property, plant and equipment during the year ended March 31, 2022.

Description	Gross Block as at		Disposals	Gross block as at		Accumulated depreciation as at		Depreciation for the year on disposals	Accumulated depreciation as at March 31, 2021	Net carrying amount as at	
	April 1, 2020	Additions		March 31, 2021	April 1, 2020	March 31, 2020	March 31, 2020			March 31, 2021	March 31, 2020
Computers	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.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Capital work-in-progress

Capital work-in-progress ageing

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Capital work-in-progress ageing	Outstanding for following periods from due date of payment				(₹ in lakhs)
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
	-	-	-	-	-

Ageing for capital work-in-progress as at March 31, 2021 is as follows:

Capital work-in-progress ageing	Outstanding for following periods from due date of payment				(₹ in lakhs)
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	244.00	-	-	-	244.00
Projects temporarily suspended	-	-	-	-	-
	244.00	-	-	-	244.00

(b) Other assets

Other assets consist of the following :

(i) Other assets - Non - current

	As at March 31, 2022	As at March 31, 2021
Considered good		
(a) Contract fulfillment cost *	282.73	601.74
(b) Balance with Government Authorities **	91.31	30.44
(c) Prepaid expenses	6.80	4.51
	380.84	636.69

** Amount deposited with Appellate Tribunal in respect of Goods & Service Tax (GST) matter.

(ii) Other assets - current

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
(a) Contract fulfillment cost *	458.44	622.25
(b) Prepaid expenses	288.49	107.76
(c) Indirect taxes recoverable	795.36	1,044.38
(d) Advance to suppliers	3.40	20.00
	1,545.69	1,794.39

* Contract fulfillment costs of ₹ 986.85 lakhs and ₹ 832.10 lakhs for the years ended March 31, 2022 and 2021, respectively, have been amortized in the statement of profit and loss.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(c) Other liabilities

Other liabilities consists of the following :

(i) Other liabilities - current

	(₹ in lakhs)
As at March 31, 2022	As at March 31, 2021
Advance received from customers	7.11
Indirect taxes payable and other statutory liabilities	88.66
	735.68
	1,251.21
	742.79
	1,339.87

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.
- 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.

In accordance with Ind AS 37, the Company recognises an onerous contract provision when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

Contracts are subject to modification to account for changes in contract specification and requirements. The Company reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Significant shareholder, along with it's Regional Rural Banks, and the Holding Company contributes 41% (41% : March 2021) and 26% (28% : March 31, 2021) of the company's total revenue for year ended March 31, 2022, respectively.

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



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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, 2022	For the year ended March 31, 2021
(a) Information technology and consultancy services	32,413.72	29,900.67
(b) Sale of equipment	237.73	405.45
	32,651.45	30,306.12

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, 2022	For the year ended March 31, 2021
Opening balance	1,715.33	1,262.45
Less : Revenue recognised that was included in contract liability balance at the beginning	(858.12)	(798.36)
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue	1,053.41	1,251.24
Closing balance	1,910.62	1,715.33

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

10) Other income

Other income (net) consist of the following:

	(₹ in lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest income	908.04	809.67
(b) Others	19.19	43.33
	927.23	853.00

Interest income comprises :

Interest on bank deposits	908.04	421.64
Interest on financial asset carried at a amortised cost	-	330.94
Interest revenue - Income tax refunds	-	57.09

Others income comprises :

Interest on unwinding of security deposits	11.92	43.33
Others	7.27	-

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.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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, 2022	For the year ended March 31, 2021
5,612.26	5,151.52
240.77	236.66
149.83	96.08
6,002.86	5,484.26

Employee benefit obligation consist of the following :

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

Gratuity liability

(₹ in lakhs)	
As at March 31, 2022	As at March 31, 2021
57.37	227.74
57.37	227.74

(ii)(b) Employee benefit obligation - current

Gratuity liability

Other employee benefit obligations

(₹ in lakhs)	
As at March 31, 2022	As at March 31, 2021
246.46	45.07
152.99	107.38
399.45	152.45



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 ₹ 191.65 lakhs (March 31, 2021 : ₹ 176.27 lakhs) for provident fund during the year ended March, 31 2022.

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	For the year ended March 31, 2022	For the year ended March 31, 2021
	(₹ in lakhs)	
Change in benefit obligations		
Benefit obligations, beginning of the year		
Service cost	272.81	262.08
Interest cost	29.73	33.57
Benefits paid	15.00	17.02
Actuarial losses / (gains) recognized in OCI	(70.85)	(23.66)
Benefit obligations, end of the year	57.14	(16.20)
	303.83	272.81
Service cost	29.73	33.57
Net interest on net defined benefit (assets)/liabilities	15.00	17.02
Net periodic gratuity cost	44.73	50.59

The Company has no plan assets.

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

Discount rate	5.75%	5.50%
Salary escalation rate	5.00%	4.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	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	41.30%	38.61%
ii) If Services > 5 years	17.85%	9.73%



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, 2022	For the year ended March 31, 2021
Actuarial (gains) and losses arising from changes in demographic assumptions	9.98	1.72
Actuarial (gains) and losses arising from changes in financial assumptions	8.67	(17.58)
Actuarial (gains) and losses arising from changes in experience adjustments	38.49	(0.34)
Remeasurement of net defined benefit liability / (asset)	<u>57.14</u>	<u>(16.20)</u>

The expected benefits are based on the same assumptions as used to measure the Company's defined benefit obligations as at March 31, 2022.

Remeasurement loss / (gain) of the defined benefit obligation of ₹ 57.14 lakhs and ₹ (16.20) lakhs for the years ended March 31, 2022 and March 31, 2021 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, 2022	For the year ended March 31, 2021
Increase of 0.50%	(5.73)	(7.90)
Decrease of 0.50%	6.00	8.42

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, 2022	For the year ended March 31, 2021
Increase of 0.50%	6.01	8.50
Decrease of 0.50%	(5.80)	(8.05)

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, 2022 as follows :

Year ending March 31,	Defined benefit obligation (₹ in lakhs)
2023	57.37
2024	48.90
2025	44.27
2026	35.90
2027	30.96
2028 to 2032	103.36



Notes forming part of Financial Statements

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 into:

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.

Other expenses consist of the following:

- (a) Fees to external consultants
- (b) Software and material costs
- (c) Communication expenses
- (d) Travelling and conveyance expenses
- (e) Facility and hosting charges
- (f) Repairs and maintenance
- (g) Electricity expenses
- (h) Bad debts written off, allowance for trade receivable and advance (net)
- (i) Security charges
- (j) Corporate Social Responsibility*
- (k) Others (includes Auditor's remuneration referred to in note 13)

	(₹ in lakhs)
For the year ended March 31, 2022	For the year ended March 31, 2021
1,221.39	1,357.63
5,439.48	4,505.57
6,643.09	6,613.61
28.09	19.44
512.46	786.02
276.35	153.57
82.26	111.61
908.16	306.12
45.35	46.91
205.69	224.39
301.91	212.33
15,664.23	14,337.20

Corporate Social Responsibility (CSR) expenditure

- Amount required to be spent by the company during the year
 - Amount of expenditure incurred on :
 - (i) Construction/acquisition of any asset
 - (ii) On purposes other than (i) above
 - Excess / (Shortfall) at the end of the year
 - Total of previous years shortfall
-
- Nature of CSR activities
 - Details of related party transactions
 - Movements in provision made with respect to a liability incurred by entering into a contractual obligation

	(₹ in lakhs)	
For the year ended March 31, 2022	For the year ended March 31, 2021	
	205.69	195.82
	162.58	146.89
	43.11	77.50
	-	28.57

Education, Skilling, Health, Sanitation and Hygiene

13) Auditor's remuneration

Auditor's remuneration consists of the following:

Auditor

For other services

For reimbursement of out-of-pocket expenses

	(₹ in lakhs)
For the year ended March 31, 2022	For the year ended March 31, 2021
5.90	5.90
2.36	2.36
0.33	0.33
8.59	8.59

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

14) Finance cost

Finance costs consist of the following:

Interest expense

	(₹ in lakhs)
For the year ended March 31, 2022	For the year ended March 31, 2021
64.05	39.67
64.05	39.67



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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.

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, 2022	Year ended March 31, 2021
Current tax:		
Current tax expense for current year	2,698.62	2,617.46
Current tax expense pertaining to prior years	(41.72)	(26.94)
Deferred tax expense / (benefit)	2,656.90	2,590.52
Total income tax expense recognised in the current year	(150.19)	(137.38)
Income tax expense recognised in OCI	2,506.71	2,453.14
Deferred tax on remeasurement of defined employee benefit plan.	14.38	(4.08)

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, 2022	Year ended March 31, 2021
Profit before taxes	9,824.91	9,674.64
Indian statutory income tax rate	25.170%	25.170%
Expected income tax expense	2,472.93	2,435.11
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(a) Current tax expense pertaining to prior years		
(b) Disallowance under section 37	(41.72)	(26.94)
(i) CSR expenses		
(c) Lower rate on capital gains tax	51.60	56.48
(d) Other permanent differences	-	-
(e) Difference due to tax rate change	-	-
(f) Finance lease liability reversal	-	-
(g) Others (net)	-	-
Total income tax expense	23.90	(11.51)
	2,506.71	2,453.14



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, 2022 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	(196.56)	94.13	-	-	(102.43)
Lease obligations	15.44	5.49	-	-	20.93
Provision for Employee benefit	114.39	(12.35)	14.38	-	116.42
Provision for receivables, loans and advances	127.83	62.92	-	-	190.75
Total deferred tax assets / (liabilities)	61.10	150.19	14.38	-	225.67

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2022	Assets	Liabilities	(₹ in lakhs) Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(102.43)	(102.43)
Lease obligations	20.93	-	20.93
Provision for Employee benefit	116.42	-	116.42
Provision for receivables, loans and advances	190.75	-	190.75
Net deferred tax assets / (liabilities)	328.10	(102.43)	225.67

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	4.01	-	-	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)	137.39	(4.08)	-	61.10

Gross deferred tax assets and liabilities are as follows:

As at March 31, 2021	Assets	Liabilities	(₹ in lakhs) Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(196.56)	(196.56)
Finance 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



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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) ₹ 895.17 lakhs as at March 31, 2022 (March 31, 2021 : ₹ 102.51 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. However, in view of non-constitution of the GST Appellate Tribunal, company is unable to file the appeal as on date. Company has complied with the pre-deposit requirement u/s 112 (9) of the CGST Act, 2017 and made further payment of ₹ 60.88 lakhs. The total deposit paid by the company is ₹ 91.31 lakhs.

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
Holding Company
Significant shareholder
Key Management Personnel

Tata Sons Private Limited
Tata Consultancy Services Limited
State Bank of India
Jambunathan Narayanan - Chief Executive Officer (till May 31, 2021)
Dhananjaya Tambe - Chief Executive Officer (w.e.f June 01, 2021)
Rahul Kulkarni - Chief Executive Officer Designate (w.e.f February 21, 2022)*
Rohinton Peer - Chief Financial Officer*



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

b) Transactions with the related parties

Transactions with related parties are as follows:

For the year ended March 31, 2022 and March 31, 2021

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	(₹ in lakhs) Total
i) Revenues from operation	8,473.80	1,197.82	-	9,671.62
ii) Managerial remuneration	8,607.60	531.73	-	9,139.33
iii) Other operating expenses	-	-	121.16	121.16
	1,463.93	-	124.30	124.30
iv) Interest income	1,532.91	-	-	1,532.91
v) Dividend paid	-	356.06	-	356.06
	1,887.00	280.64	-	280.64
	2,091.00	1,813.00	-	3,700.00
c) Balances with related parties		2,009.00	-	4,100.00

As at March 31, 2022 and March 31, 2021

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	(₹ in lakhs) Total
1 Trade payables	517.33	-	23.88	541.21
2 Trade receivables	943.87	-	30.06	973.93
3 Balances with bank	4,082.49	160.25	-	4,242.74
	4,579.92	482.28	-	5,062.20
4 Unearned and deferred revenues	-	13,609.97	-	13,609.97
	73.74	12,840.64	-	12,840.64
5 Interest receivable	171.74	-	-	171.74
	-	86.98	-	86.98
	-	77.62	-	77.62

* The Chief Executive Officer Designate and Chief Financial Officer 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.

The above figures do not include provisions for encashable leave, gratuity and premium paid for group health insurance, as separate actuarial valuation / premium paid are not available.

Figures in italics in the above tables pertain to March 31, 2021.

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, 2022	Year ended March 31, 2021
Profit for the year (₹ in lakhs)	7,318	7,222
Weighted average number of equity shares	10,000,000	10,000,000
Earning per share basic and diluted (₹)	73.18	72.22
Face value per equity share (₹)	10	10



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

20) 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.

21) **Additional Regulatory Information**

Ratios

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	4.81	3.12	54.17%	Increase in current ratio is due to increase in current asset pertaining to Other cash balances with bank
Debt service coverage ratio (in times)	Earning for Debt Service = Profit after tax + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	27.32	51.02	(46.45)%	Decrease due to increase lease payments on account of new lease agreements entered
Return On equity ratio (in %)	Profit for the year	Average total equity	24.83%	27.65%	(2.82)%	
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	3.83	3.23	18.58%	
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other expenses	Average trade payables	3.69	3.04	21.38%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities)	1.48	1.60	(7.50)%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	22.41%	23.83%	(1.42)%	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Tangible net worth + Total debt + Deferred tax liabilities	30.77%	33.61%	(2.84)%	
Return on investments (in %)	Income generated from invested funds	Average invested funds	4.06%	5.09%	(1.03)%	



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

22) Subsequent event

Dividend paid during the year ended March 31, 2022 pertains to final dividend for the year ended March 31, 2021.

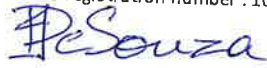
The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. Accordingly the Retained Earnings reported in these financial statements may not be fully distributable. As at March 31, 2022, income available for distribution were ₹ 30261.19 lakhs. On April 25, 2022 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, 2022 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 3700.00 lakhs.

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

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



Jaclyn Desouza


Partner

Membership number : 124629

Mumbai, April 25, 2022





 For and on behalf of the Board
Ramakrishnan Venkataraman
Director



Ujjwal Mathur
Director


Dhananjaya Tambe
Chief Executive Officer


Aarti Salekar
Company Secretary


Ravindra Pandey
Director


Mihir Mishra
Director


Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2022

Quality Checks :

Completed

Spelling / diction / comparison

✓

Indexing / pagination / paras

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✓

Done by :

Name and Designation.....

Adhinarayanan, AD

Signature and Date.....

APAgrowth

Engagement Partner.....

Jaclyn Delacruz

Project Code.....

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