

C-EDGE TECHNOLOGIES LIMITED
Balance Sheet

(₹ in lakhs)

	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non - current assets			
Property, plant and equipment	8(a)	3,390.27	3,013.92
Right-of-use assets	7	727.91	901.69
Intangible assets	8(b)	725.93	-
Financial assets			
Trade receivables			
Billed			208.23
Unbilled	6(a)	-	15.33
Other financial assets	6(d)	9,204.64	78.73
Income tax asset (net)		1,482.92	802.82
Deferred tax assets (net)	15	410.63	225.67
Other assets	8(c)	352.12	380.84
Total non-current assets		16,294.42	5,627.23
Current assets			
Financial assets			
Trade receivables			
Billed			5,918.55
Unbilled	6(a)	5,534.69	1,734.04
Cash and cash equivalents	6(b)(i)	2,772.45	13,609.97
Other cash balances with bank	6(b)(ii)	14,671.86	10,195.45
Loans	6(c)	2,618.13	3.74
Other financial assets	6(d)	-	747.07
Other assets	8(c)	512.43	1,545.69
Total current assets		27,800.05	33,754.51
TOTAL ASSETS		44,094.47	39,381.74
EQUITY AND LIABILITIES			
Equity			
Share capital	6(j)	1,000.00	1,000.00
Other equity	6(k)	35,090.28	30,261.19
Total equity		36,090.28	31,261.19
Liabilities			
Non-current liabilities			
Financial liabilities			
Lease liabilities			
Employee benefit obligations	11 (ii) (a)	463.46	649.87
Unearned and deferred revenues		81.38	57.37
		466.96	396.54
Total non-current liabilities		1,011.80	1,103.78
Current liabilities			
Financial liabilities			
Lease liabilities			
Trade and other payables		326.90	242.35
Dues of small enterprises and micro enterprises	6(e)	-	-
Dues of creditors other than small enterprises and micro enterprises	6(f)	3,479.67	3,860.77
Other financial liabilities	6(g)	32.59	17.17
Unearned and deferred revenues		1,099.27	1,514.08
Other liabilities	8(d)	701.75	742.79
Employee benefit obligations	11 (ii) (b)	428.30	399.45
Income tax liabilities (net)		923.91	240.16
Total current liabilities		6,992.39	7,016.77
TOTAL EQUITY AND LIABILITIES		44,094.47	39,381.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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



Rajesh Shetty

Partner

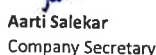
Membership number: 130778

Mumbai, April 25, 2023


Rahul Kulkarni
Chief Executive Officer


Lakshminarayanan Seshadri
Director



Ujjwal Mathur
Director


Aarti Salekar
Company Secretary

For and on behalf of the Board


Vidya Krishnan
Director


Mihir Mishra
Director


Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2023

C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

(₹ in lakhs)

	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	9	35,576.82	32,651.45
Other income	10	1,231.10	927.23
TOTAL INCOME		36,807.92	33,578.68
Expenses:			
Employee benefits expenses	11(i)	6,535.19	6,002.86
Finance costs	14	52.61	64.05
Depreciation and amortisation expense		1,931.82	2,022.63
Other expenses	12	16,802.59	15,664.23
TOTAL EXPENSES		25,322.21	23,753.77
PROFIT BEFORE TAX		11,485.71	9,824.91
Tax expense:			
Current tax	15	3,097.97	2,656.90
Deferred tax	15	(173.98)	(150.19)
Total tax expenses		2,923.99	2,506.71
PROFIT FOR THE YEAR		8,561.72	7,318.20
OTHER COMPREHENSIVE (LOSSES) / INCOME			
Items that will not be reclassified subsequently to profit and loss.			
Remeasurement of defined employee benefit plans		(43.61)	(57.14)
Income tax on item that will not be reclassified subsequently to the statement of profit and loss		10.98	14.38
TOTAL OTHER COMPREHENSIVE (LOSSES) / INCOME		(32.63)	(42.76)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR		8,529.09	7,275.44
Earnings per equity share- Basic and diluted (₹)	19	85.62	73.18
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 – 23

As per our report of even date attached
For **B S R & Co. LLP**
Firm's registration number: 101248W/W-100022



Rajesh Shetty


Partner


Membership number: 130778

Mumbai, April 25, 2023


Rahul Kulkarni
Chief Executive Officer

For and on behalf of the Board


Lakshminarayanan Seshadri
Director


Ujjwal Mathur
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Director


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Chief Financial Officer
Mumbai, April 25, 2023

C-EDGE TECHNOLOGIES LIMITED
Statement of Changes in Equity

A EQUITY SHARE CAPITAL

(₹ in lakhs)

Balance as on April 1, 2022	Changes in equity share capital due to prior period errors	Restated balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
1,000.00	-	1,000.00	-	1,000.00

(₹ 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

Refer note 6(j)

B OTHER EQUITY

(₹ in lakhs)

	Retained earnings	Total equity
Balance as at April 1, 2022	30,261.19	30,261.19
Profit for the year	8,561.72	8,561.72
Other comprehensive income	(32.63)	(32.63)
Total comprehensive income	8,529.09	8,529.09
Dividend	(3,700.00)	(3,700.00)
Balance as at March 31, 2023	35,090.28	35,090.28
Balance as at April 1, 2021	26,685.75	26,685.75
Profit for the year	7,318.20	7,318.20
Other comprehensive income	(42.76)	(42.76)
Total comprehensive income	7,275.44	7,275.44
Dividend	(3,700.00)	(3,700.00)
Balance as at March 31, 2022	30,261.19	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 – 23

As per our report of even date attached

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

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



Rajesh Shetty

Partner

Membership number: 130778

Mumbai, April 25, 2023



Rahul Kulkarni

Chief Executive Officer

For and on behalf of the Board



Lakshminarayanan Seshadri
Director



Ujjwal Mathur
Director



Aarti Salekar

Company Secretary



Vidya Krishnan
Director



Mihir Mishra
Director



Rohinton Peer

Chief Financial Officer

Mumbai, April 25, 2023

C-EDGE TECHNOLOGIES LIMITED
Statement of Cash Flows

(₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
I CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	8,561.72	7,318.20
Adjustments to reconcile profit and loss to net cash provided by operating activities		
Depreciation and amortisation expense	1,931.82	2,022.63
Tax expense	2,923.99	2,506.71
Bad debts written off, allowance for doubtful trade receivables and advances (net)	731.29	456.84
Interest income	(1,204.56)	(919.96)
Finance costs	52.61	64.05
Unrealised (gain) / loss on lease modification	(22.91)	-
Operating profit before working capital changes	12,973.96	11,448.47
Net change in		
Trade receivables		
Billed	(139.20)	1,735.35
Unbilled	(1,023.08)	(883.51)
Other financial assets	(21.62)	52.23
Other assets	(114.48)	457.33
Trade payables	(381.11)	(774.12)
Other financial liabilities	15.42	(84.25)
Other liabilities and provision	(31.79)	(563.52)
Unearned and deferred revenues	(344.39)	195.29
Cash generated from operations	10,933.71	11,583.27
Taxes paid (net of refunds)	(3,094.31)	(3,436.12)
Net cash generated from operating activities	7,839.40	8,147.15
II CASH FLOWS FROM INVESTING ACTIVITIES		
Bank deposits matured	10,195.45	2,000.00
Bank deposits placed	(11,624.20)	(4,595.45)
Payment for purchase of property, plant and equipment	(1,930.89)	(1,204.57)
Payment for intangible assets	(788.00)	-
Interest received	1,416.37	451.04
Net cash used in Investing activities	(2,731.27)	(3,348.98)
III CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(3,700.00)	(3,700.00)
Repayment of lease liabilities	(293.63)	(264.79)
Interest paid	(52.61)	(64.05)
Net cash used in financing activities	(4,046.24)	(4,028.84)
Net change in cash and cash equivalents	1,061.89	769.33
Cash and cash equivalents at the beginning of the year	13,609.97	12,840.64
Cash and cash equivalents at the end of the year (Refer note 6(b)(i))	14,671.86	13,609.97
Components of cash and cash equivalents		
In current accounts	2,960.18	862.22
In deposit accounts	11,711.68	12,747.75
	14,671.86	13,609.97

IV NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 - 23

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, 2023 and 2022 on construction / acquisition of any asset and other purposes relating to CSR activities.

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

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


Rajesh Shetty

Partner

Membership number: 130778


Mumbai, April 25, 2023

For and on behalf of the Board


Lakshminarayanan Seshadri
Director


Ujjwal Mathur
Director


Aarti Salekar
Company Secretary


Vidya Krishnan
Director


Mihir Mishra
Director


Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2023


Rahul Kulkarni
Chief Executive Officer

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, 2023 were approved by the Board of Directors and authorised for issue on April 25, 2023.

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 has 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 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) Allowance for doubtful trade receivable (Refer note 6)

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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

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

Ind AS 12 – Income Taxes

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

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

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

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, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or have expired.

Cash and cash equivalents

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

Financial assets at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit and loss

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

Financial liabilities

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

Equity instruments

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

Impairment of Financial assets (other than at fair value)

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

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

6)(a) Trade receivables

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

Trade receivables - Billed – Non-current

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Trade receivable - Billed	-	208.23
Less : Allowance for doubtful trade receivables - Billed	-	-
Considered good	-	208.23
Trade receivable - Billed	-	329.82
Less : Allowance for doubtful trade receivables - Billed	-	(329.82)
Considered impaired	-	-
	-	208.23

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

Ageing for trade receivables – non-current outstanding as at March 31, 2023 is as follows:

	(₹ in lakhs)					
Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
Undisputed trade receivables – considered good	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-
Less: Allowance for doubtful trade receivables - Billed						-
Trade Receivables - unbilled						-

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

	(₹ in lakhs)					
Particulars	Not due	Outstanding for following periods from due date of payment				
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years
Undisputed trade receivables – considered good	-	-	-	138.51	58.31	11.41
Undisputed trade receivables – credit impaired	-	-	-	254.57	62.94	12.31
Less: Allowance for doubtful trade receivables - Billed				393.08	121.25	23.72
Trade Receivables - unbilled						-

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

Trade receivables - Billed – Current

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Trade receivable - Billed	6,190.69	5,918.55
Less : Allowance for doubtful trade receivables - Billed	(656.00)	-
Considered good	5,534.69	5,918.55
Trade receivable - Billed	701.85	428.01
Less : Allowance for doubtful trade receivables - Billed	(701.85)	(428.01)
Considered impaired	-	-
	5,534.69	5,918.55

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

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

Ageing for trade receivables – current outstanding as at March 31, 2023 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	1,512.29	3,994.27	454.91	169.82	41.67	17.73	6,190.69
Undisputed trade receivables – credit impaired	-	-	-	478.72	183.47	39.66	701.85
	1,512.29	3,994.27	454.91	648.54	225.14	57.39	6,892.54
Less: Allowance for doubtful trade receivables - Billed							(1,357.85)
							5,534.69
Trade Receivables - unbilled							2,772.45
							8,307.14

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 – credit impaired	85.62	197.36	145.03	-	-	-	428.01
	1,676.84	4,280.24	389.48	-	-	-	6,346.56
Less: Allowance for doubtful trade receivables - Billed							(428.01)
							5,918.55
Trade Receivables - unbilled							1,734.04
							7,652.59

(b)(i) Cash and cash equivalents

Cash and cash equivalents consist of the following:

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Balances with banks		
In current accounts *	2,960.18	862.22
In deposit accounts with original maturity less than 3 months *	11,711.68	12,747.75
	14,671.86	13,609.97

* Above balances of cash and cash equivalents include balances with related parties (Refer note 18)

(b)(ii) Other bank balances with bank

Other balances with bank consists of the following:

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Short term bank deposits	2,618.13	10,195.45
	2,618.13	10,195.45

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C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

(c) Loans

Loans receivable (unsecured) consist of the following:

(i) Loans – current

	(₹ in lakhs)
As at March 31, 2023	As at March 31, 2022
Considered good	
Advances to employees	3.74
	3.74

(d) Other financial assets

Other financial assets consist of the following:

(i) Other financial assets - Non – current

	(₹ in lakhs)
As at March 31, 2023	As at March 31, 2022
Security deposits	198.57
Bank deposit more than 12 months	9,006.07
	9,204.64

(ii) Other financial assets – current

	(₹ in lakhs)
As at March 31, 2023	As at March 31, 2022
(a) Security deposits	56.50
(b) Interest receivable *	455.93
	512.43

*Above balances of interest receivable include balances with related parties (Refer note 18)

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, 2023 and March 31, 2022 is as under:

	(₹ in lakhs)
As at March 31, 2023	As at March 31, 2022
Dues remaining unpaid to any supplier	
Principal	-
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	-

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Notes forming part of Financial Statements

(f) Trade payables

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	(₹ in lakhs)				
	Not due	Outstanding for following periods from due date of payment			
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
MSME *	-	-	-	-	-
Others **	-	488.73	45.90	-	113.47
Disputed dues - MSME *•	-	-	-	-	-
Disputed dues - Others •	-	-	-	-	-
	-	488.73	45.90	-	113.47
Accrued expenses					2,831.57
					3,479.67

* 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.

**Above balances of trade payables include balances with related parties (Refer note 18).

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

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

**Above balances of trade payables include balances with related parties (Refer note 18).

(g) Other financial liabilities

Other financial liabilities consist of the following:

	(₹ lakhs)	
	As at March 31, 2023	As at March 31, 2022
Accrued payroll	32.59	17.17
	32.59	17.17

(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.

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C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

The carrying value of financial instruments by categories as of March 31, 2023 is as follows:

	(₹ in lakhs)		
	Fair value through Profit and Loss	Amortised cost	Total carrying value
Financial assets			
Cash and cash equivalents	-	14,671.86	14,671.86
Trade receivables			
Billed	-	5,534.69	5,534.69
Unbilled	-	2,772.45	2,772.45
Other bank balances	-	2,618.13	2,618.13
Other financial assets	-	9,717.07	9,717.07
Total	-	35,314.20	35,314.20
Financial liabilities			
Trade and other payables	-	3,479.67	3,479.67
Lease liabilities	-	790.36	790.36
Other financial liabilities	-	32.59	32.59
Total	-	4,302.62	4,302.62

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
Other bank balances	-	10,195.45	10,195.45
Loans	-	3.74	3.74
Other financial assets	-	825.80	825.80
Total	-	32,511.11	32,511.11
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

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.

(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.



C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

a) Interest rate risk

The Company's 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 who contributes to more than 10% of outstanding trade receivables as at March 31, 2023 and March 31, 2022. None of the other financial instruments of the Company result in material concentration of credit risk.

The allowance for lifetime expected credit loss on trade receivables for the years ended March 31, 2023 and 2022, was ₹ 731.29 lakhs and ₹ 908.16 lakhs respectively. The reconciliation of allowance for doubtful trade receivables is as follows:

	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	757.85	507.85
Changes during the year	731.29	908.16
Bad debts written off	(131.29)	(658.16)
Balance at the end of the year	1,357.85	757.85

c) Liquidity risk

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

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

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

	(₹ in lakhs)				
	Due in 1st year	Due in 2nd year	Due in 3rd to 5th year	Due after 5 years	Total
March 31, 2023					
Trade and other payables	3,479.67	-	-	-	3,479.67
Lease liabilities	365.59	318.59	164.61	-	848.79
Other financial liabilities	32.59	-	-	-	32.59
	3,877.85	318.59	164.61	-	4,361.05
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

d) Foreign currency exchange rate risk

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

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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, 2023	As at March 31, 2022
(a) Authorised :		
4,00,00,000 equity shares of ₹ 10 each	4,000.00	4,000.00
(March 31, 2022 : 4,00,00,000 equity shares of ₹ 10 each)		
	4,000.00	4,000.00
(b) Issued, subscribed and paid-up:		
1,00,00,000 equity shares of ₹ 10 each	1,000.00	1,000.00
(March 31, 2022 : 1,00,00,000 equity shares of ₹ 10 each)		
	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, 2023		As at March 31, 2022	
	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, 2023		As at March 31, 2022	
	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%

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C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

iv) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2023 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, 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	-

(k) Other equity

Other equity consists of the following:

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
(i) Retained earnings		
Opening balance	30,261.19	26,685.75
(ii) Profit for the year	8,561.72	7,318.20
(iii) OCI Impact and remeasurement of defined employee benefit plans	(32.63)	(42.76)
(iv) Appropriation :		
(v) Less :		
(a) Dividend on equity shares	(3,700.00)	(3,700.00)
	35,090.28	30,261.19

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

C-EDGE TECHNOLOGIES LIMITED
Notes forming part of Financial Statements

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.

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

	(₹ in lakhs)	
	Additions for the year ended March 31, 2023	Net carrying amount as at March 31, 2023
Buildings	199.38	727.91
	199.38	727.91

	(₹ in lakhs)	
	Additions for the year ended March 31, 2022	Net carrying amount as at March 31, 2022
Buildings	-	901.69
	-	901.69

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

	(₹ in lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Buildings	315.21	315.15
	315.21	315.15

Interest on lease liabilities is ₹ 52.61 lakhs and ₹ 62.56 lakhs for the year ended March 31, 2023 and March 31, 2022 respectively.

The Company incurred ₹ 6.91 lakhs and ₹ 4.00 lakhs for the year ended March 31, 2023 and March 31, 2022 respectively towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 353.15 lakhs and ₹ 331.35 lakhs for the year ended March 31, 2023 and March 31, 2022 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.

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Notes forming part of Financial Statements

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.

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Notes forming part of Financial Statements

Property, plant and equipment

Property, plant and equipment consist of the following:

Property, plant and equipment consist of the following:

(₹ in lakhs)

Description	Gross Block as at April 1, 2022	Additions	Disposals	Gross block as at March 31, 2023	Accumulated depreciation as at April 1, 2022	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2023	Net carrying amount as at March 31, 2023	Net carrying amount as at March 31, 2022
Computers	11,455.98	1,916.21	2,273.35	11,098.84	(8,682.28)	(1,480.85)	(2,273.35)	(7,889.78)	3,209.06	2,773.70
Office equipment	269.33	10.02	-	279.35	(119.54)	(29.00)	-	(148.54)	130.81	149.79
Furniture and fixtures	111.45	4.66	-	116.11	(99.35)	(14.18)	-	(113.53)	2.58	12.10
Leasehold Improvements	208.13	-	-	208.13	(129.80)	(30.51)	-	(160.31)	47.82	78.33
Total	12,044.89	1,930.89	2,273.35	11,702.43	(9,030.97)	(1,554.54)	(2,273.35)	(8,312.16)	3,390.27	3,013.92

(₹ in lakhs)

Description	Gross Block as at April 1, 2021	Additions	Disposals	Gross block as at March 31, 2022	Accumulated depreciation as at April 1, 2021	Depreciation for the year	Depreciation on disposals	Accumulated depreciation as at March 31, 2022	Net carrying amount as at March 31, 2022	Net carrying amount as at 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	0.00	-	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

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Statement of Profit and Loss

(b) Intangible assets

Intangible assets purchased are measured at cost as at the date of acquisition, as applicable, less accumulated amortisation and accumulated impairment, if any.

Intangible assets consist of rights under licensing agreement and software licences which are amortised over licence period which equates the economic useful life of 4 years on a straight-line basis over the period of its economic useful life.

Intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. 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.

Intangible assets consist of the following:

	(₹ in lakhs)
	Software licences
Cost as at April 1, 2022	-
Additions	788.00
Disposals / Derecognised	-
Cost as at March 31, 2023	788.00
Accumulated amortisation as at April 1, 2022	-
Amortisation	(62.07)
Disposals / Derecognised	-
Accumulated amortisation as at March 31, 2023	(62.07)
Net carrying amount as at March 31, 2023	725.93
	Software licences
Cost as at April 1, 2021	-
Additions	-
Disposals / Derecognised	-
Cost as at March 31, 2022	-
Accumulated amortisation as at April 1, 2021	-
Amortisation	-
Disposals / Derecognised	-
Accumulated amortisation as at March 31, 2022	-
Net carrying amount as at March 31, 2022	-

The estimated amortisation for years subsequent to March 31, 2023 is as follows:

	(₹ in lakhs)
	Amortisation expense
Year ending March 31,	
2024	196.71
2025	196.71
2026	196.71
2027	135.80
2028	-
	725.93

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C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

(c) Other assets

Other assets consist of the following:

(i) Other assets - Non – current

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Considered good		
(a) Contract fulfillment cost *	211.13	282.73
(b) Balance with Government Authorities **	91.31	91.31
(c) Prepaid expenses	49.68	6.80
	352.12	380.84

** Amount deposited with Goods & Service Tax (GST) Authorities.

(ii) Other assets – current

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
(a) Contract fulfillment cost *	640.00	458.44
(b) Prepaid expenses	174.31	288.49
(c) Indirect taxes recoverable	869.18	795.36
(d) Advance to suppliers	5.40	3.40
(e) Advances to employees	1.60	-
	1,690.49	1,545.69

* Contract fulfilment costs of ₹ 1,018.53 lakhs and ₹ 986.85 lakhs for the years ended March 31, 2023 and 2022, respectively, have been amortized in the statement of profit and loss.

(d) Other liabilities

Other liabilities consists of the following:

(i) Other liabilities – current

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Advance received from customers	-	7.11
Indirect taxes payable and other statutory liabilities	701.75	735.68
	701.75	742.79

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. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that 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 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.

C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

- Revenue from time and material and job contracts is recognised on output basis measured by units delivered, efforts expended, number of transactions processed, etc.
- Revenue from ASP (Applications Service Provider) platforms are recognised 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 recognised 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 its Regional Rural Banks, and the Holding Company contributes 40% (41% : March 2022) and 29% (26% : March 31, 2022) of the company's total revenue for year ended March 31, 2023, 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.

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, 2023	For the year ended March 31, 2022
(a) Information technology and consultancy services	35,339.99	32,413.72
(b) Sale of equipment	236.83	237.73
	35,576.82	32,651.45

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, 2023	For the year ended March 31, 2022
Opening balance	1,910.62	1,715.33
Less : Revenue recognised that was included in contract liability balance at the beginning of the year	(1,487.32)	(858.12)
Add : Increase due to invoicing during the year, excluding amounts recognised as revenue during the year	1,142.93	1,053.41
Closing balance	1,566.23	1,910.62

C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

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, 2023	For the year ended March 31, 2022
(a) Interest income	1,204.56	919.96
(b) Others	26.54	7.27
	1,231.10	927.23
Interest income comprises :		
Interest income on bank deposits and interest on financial assets carried at amortised cost.	1,170.49	919.96
Interest revenue - Income tax refunds	34.07	-
Others income comprises :		
Others	26.54	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.

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.

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C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

i) Employee benefit expenses consist of the following:

	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Salaries, incentives and allowances	6,114.96	5,612.26
(b) Contribution to provident and other funds	273.57	240.77
(c) Staff welfare expenses	146.66	149.83
	6,535.19	6,002.86

Employee benefit obligation consist of the following:

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

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Gratuity liability	81.38	57.37
	81.38	57.37

(ii)(b) Employee benefit obligations – current

	(₹ in lakhs)	
	As at March 31, 2023	As at March 31, 2022
Gratuity liability	267.39	246.46
Compensated absences	160.91	152.99
	428.30	399.45

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 ₹ 219.52 lakhs (March 31, 2022 : ₹ 191.65 lakhs) for provident fund during the year ended March, 31 2023.

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:

C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Change in benefit obligations		
Benefit obligations, beginning of the year	303.83	272.81
Service cost	31.49	29.73
Interest cost	17.41	15.00
Benefits paid	(47.58)	(70.85)
Actuarial losses / (gains) recognized in OCI	43.62	57.14
Benefit obligations, end of the year	348.77	303.83
Service cost	31.49	29.73
Net interest on net defined benefit (assets)/liabilities	17.41	15.00
Net periodic gratuity cost	48.90	44.73

The Company has no plan assets.

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

Discount rate	7.25%	5.75%
Salary escalation rate	7.00%	5.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

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	33.27%	41.30%
ii) If Services > 5 years	24.29%	17.85%

Remeasurement of net defined benefit liability / (asset)

(₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Actuarial (gains) and losses arising from changes in demographic assumptions	8.65	9.98
Actuarial (gains) and losses arising from changes in financial assumptions	5.01	8.67
Actuarial (gains) and losses arising from changes in experience adjustments	29.95	38.49
Remeasurement of net defined benefit liability / (asset)	43.61	57.14

The expected benefits are based on the same assumptions as used to measure the Company's defined benefit obligations as at March 31, 2023.

Remeasurement loss / (gain) of the defined benefit obligation of ₹ 43.61 lakhs and ₹ 57.14 lakhs for the years ended March 31, 2023 and March 31, 2022 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, 2023	For the year ended March 31, 2022
Increase of 0.50%	(4.87)	(5.73)
Decrease of 0.50%	5.05	6.00

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

C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Increase of 0.50%	5.04	6.01
Decrease of 0.50%	(4.91)	(5.80)

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, 2023 as follows:

Year ending March 31,	Defined benefit obligation (₹ in lakhs)
2024	81.37
2025	70.04
2026	55.15
2027	46.35
2028	40.58
2029 to 2033	105.01

12) Cost recognition

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

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

Other expenses consist of the following:

	(₹ in lakhs)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
(a) Fees to external consultants	1,424.88	1,221.39
(b) Software and material costs	6,754.85	5,439.48
(c) Communication expenses	6,280.14	6,643.09
(d) Travelling and conveyance expenses	69.84	28.09
(e) Facility and hosting charges	588.10	512.46
(f) Repairs and maintenance	357.05	276.35
(g) Electricity expenses	116.68	82.26
(h) Bad debts written off, allowance for trade receivable and advance (net)	731.29	908.16
(i) Security charges	44.81	45.35
(j) Corporate Social Responsibility*	206.09	205.69
(k) Others (includes Auditor's remuneration referred to in note 13)	228.86	301.91
	16,802.59	15,664.23

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C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

* **Corporate Social Responsibility (CSR) expenditure**

(₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
• Amount required to be spent by the company during the year	206.09	205.69
• Amount of expenditure incurred on :		
(i) Construction/acquisition of any asset	-	162.58
(ii) On purposes other than (i) above	206.09	43.11
• Excess / (Shortfall) at the end of the year	-	-
• Total of previous years shortfall	-	-
• Nature of CSR activities	Education, Skilling, Health, Sanitation and Hygiene	
• Details of related party transactions	-	-
• Movements in provision made with respect to a liability incurred by entering into a contractual obligation	-	-

13) Auditor's remuneration

Auditor's remuneration consists of the following:

(₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditor	6.73	5.90
For other services	2.36	2.36
For reimbursement of out-of-pocket expenses	0.50	0.33
	9.59	8.59

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

14) Finance cost

Finance costs consist of the following:

(₹ in lakhs)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense	52.61	64.05
	52.61	64.05

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.



C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

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, 2023	Year ended March 31, 2022
Current tax:		
Current tax expense for current year	3,113.95	2,698.62
Current tax expense pertaining to prior years	(15.98)	(41.72)
	3,097.97	2,656.90
Deferred tax expense / (benefit)	(173.98)	(150.19)
Total income tax expense recognised in the current year	2,923.99	2,506.71
Income tax expense recognised in OCI		
Deferred tax on remeasurement of defined employee benefit plan.	10.98	14.38

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, 2023	Year ended March 31, 2022
Profit before taxes	11,485.71	9,824.91
Indian statutory income tax rate	25.170%	25.170%
Expected income tax expense	2,890.95	2,472.93
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
(a) Current tax expense pertaining to prior years	(15.98)	(41.72)
(b) Disallowance under section 37		
(i) CSR expenses	51.87	51.60
(c) Others (net)	(2.85)	23.90
Total income tax expense	2,923.99	2,506.71

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2023 are as follows:

	(₹ in lakhs)				
	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	Closing balance
Deferred tax assets / (liabilities) in relation to:					
Property, plant and equipment	(102.43)	18.42	-	-	(84.01)
Lease obligations	20.93	2.21	-	-	23.14
Provision for Employee benefit	116.42	2.33	10.98	-	129.73
Provision for receivables, loans and advances	190.75	151.02	-	-	341.77
Total deferred tax assets / (liabilities)	225.67	173.98	10.98	-	410.63

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C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

Gross deferred tax assets and liabilities are as follows:

(₹ in lakhs)			
As at March 31, 2023	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(84.01)	(84.01)
Lease obligations	23.14	-	23.14
Provision for Employee benefit	129.73	-	129.73
Provision for receivables, loans and advances	341.77	-	341.77
Net deferred tax assets / (liabilities)	494.64	(84.01)	410.63

Significant components of net deferred tax assets and liabilities for the year ended March 31, 2022 are as follows:

	(₹ in lakhs)				
	Opening balance	Recognised / (reversed) through statement of profit and loss	Recognised in/ reclassified from other comprehensive income	Recognised in/ reclassified from retained earnings	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:

(₹ in lakhs)			
As at March 31, 2022	Assets	Liabilities	Net
Deferred tax assets / (liabilities) in relation to:			
Property, plant and equipment	-	(102.43)	(102.43)
Finance 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

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) ₹ 286.01 lakhs as at March 31, 2023 (March 31, 2022 : ₹ 895.17 lakhs) for purchase of property, plant and equipment.

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C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

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	Tata Sons Private Limited
Holding Company	Tata Consultancy Services Limited
Significant shareholder	State Bank of India
Key Management Personnel	Dhananjaya Tambe - Chief Executive Officer (till April 30, 2022)
	Rahul Kulkarni - Chief Executive Officer (from May 01.2022)*
	Rohinton Peer - Chief Financial Officer *

b) Transactions with the related parties

Transactions with related parties are as follows:

For the year ended March 31, 2023 and March 31, 2022

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total
				(₹ in lakhs)
i) Revenues from operation	10,140.04	1,344.42	-	11,484.46
	8,473.80	1,197.82	-	9,671.62
ii) Managerial remuneration	-	-	121.16	121.16
iii) Other operating expenses	1,407.25	-	142.23	1,549.48
	1,463.93	-	-	1,463.93
iv) Interest income	-	588.16	-	588.16
	-	356.06	-	356.06
v) Dividend paid	1,887.00	1,813.00	-	3,700.00
	1,887.00	1,813.00	-	3,700.00
vi) Bad debts	278.45	-	-	278.45
	-	-	-	-
vii) Deposits	-	3,800.00	-	3,800.00
	-	-	-	-



C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

Balances with related parties

As at March 31, 2023 and March 31, 2022

Particulars	Holding Company	Significant shareholder	Key Management Personnel*	Total (₹ in lakhs)
1 Trade payables	710.52	-	-	710.52
	517.33	-	23.88	541.21
2 Trade receivables	5,108.87	159.08	-	5,267.95
	4,082.49	160.25	-	4,242.74
3 Balances with bank	-	14,671.86	-	14,671.86
	-	13,609.97	-	13,609.97
4 Unearned and deferred revenues	235.00	-	-	235.00
	73.74	-	-	73.74
5 Interest receivable	-	196.07	-	196.07
	-	86.98	-	86.98
6 Bad debts	278.45	-	-	278.45
	-	-	-	-
7 Deposits	-	3,800.00	-	3,800.00
	-	-	-	-

* The Chief Executive Officer 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 pertains to March 31, 2022.

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, 2023	Year ended March 31, 2022
Profit for the year (₹ in lakhs)	8,561.72	7,318.20
Weighted average number of equity shares	10,000,000	10,000,000
Earning per share basic and diluted (₹)	85.62	73.18
Face value per equity share (₹)	10	10

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.



C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

21) Additional Regulatory Information

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% variance	Reason for variance
Current ratio (in times)	Total current assets	Total current liabilities	3.98	4.81	(17.26)%	
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	30.46	27.32	11.49%	
Return On equity ration (in %)	Profit for the year	Average total equity	25.42%	24.83%	2.38%	
Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	4.40	3.83	14.88%	
Trade payables turnover ratio (in times)	Cost of equipment and software licenses + Other expenses	Average trade payables	4.52	3.69	22.49%	
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (ie. Total current assets less Total current liabilities)	1.71	1.48	15.54%	
Net profit ratio (in %)	Profit for the year	Revenue from operations	24.07%	22.41%	7.41%	
Return on capital employed (in %)	Profit before tax and finance cost	Capital employed = Tangible net worth + Lease Liability + Deferred tax liabilities	31.29%	30.77%	1.69%	
Return on investments (in %)	Income generated from invested funds	Average invested funds	8.17%	4.06%	101.23%	The increase is due increase in interest income on bank deposits.
Debt equity ratio (in times)	Lease liability	Total equity	0.02	0.03	(33.33)%	Decrease is due to increase in total equity.

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

No funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding (whether recorded in writing or otherwise) that the Group shall (i) directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C-EDGE TECHNOLOGIES LIMITED
Statement of Profit and Loss

23) Subsequent event

Dividend paid during the year ended March 31, 2023 pertains to final dividend for the year ended March 31, 2022.

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, 2023, income available for distribution were ₹ 35,090.28 lakhs. On April 25, 2023 the Board of Directors of the Company have proposed a final dividend of ₹ 45.00 per equity share in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 4,500.00 lakhs.

As per our report of even date attached

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

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



Rajesh Shetty

Partner

Membership number: 130778



Mumbai, April 25, 2023



Rahul Kulkarni

Chief Executive Officer

For and on behalf of the Board


Lakshminarayanan Seshadri
Director
Ujjwal Mathur
Director
Aarti Salekar
Company Secretary
Vidya Krishnan
Director
Mihir Mishra
Director
Rohinton Peer
Chief Financial Officer
Mumbai, April 25, 2023

Quality Checks :

Completed

Spelling / diction / comparison
Indexing / pagination / paras
Calculation / arithmetical accuracy/
rounding off errors

✓
✓
✓

Done by :

Name and Designation... *Niteesh Thapmal*
Associate Director

Signature and Date... *[Signature]* 25/04/23

Engagement Partner... *Rajesh shetty*

Project Code... *1625484*

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

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 (the "Company") which comprise the balance sheet as at 31 March 2023, 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 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, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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.



B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

C- Edge Technologies Limited

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Independent Auditor's Report (Continued)

C- Edge Technologies Limited

- 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its financial statements - Refer income tax liabilities disclosed in the balance sheet along with 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d (i) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 22 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 22 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
 - e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 23 to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to



Independent Auditor's Report (Continued)

C- Edge Technologies Limited

the extent it applies to declaration of dividend.

- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the year. 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



Rajesh Shetty

Partner

Place: Mumbai

Date: 25 April 2023

Membership No.: 130778

ICAI UDIN:23130778BGZQIZ7413

Annexure A to the Independent Auditor's Report on the Financial Statements of C- Edge Technologies Limited for the year ended 31 March 2023

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

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

Annexure A to the Independent Auditor's Report on the Financial Statements of C- Edge Technologies Limited for the year ended 31 March 2023 (Continued)

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no statutory dues of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Cess or other statutory dues which have not been deposited by the Company on account of any dispute except for the following:

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					

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as

Annexure A to the Independent Auditor's Report on the Financial Statements of C- Edge Technologies Limited for the year ended 31 March 2023 (Continued)

- defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (xiii) Pursuant to circular dated July 05, 2017 notified by Ministry of Corporate Affairs (MCA), the Company is exempted from the requirements of constitution of audit committee, accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) 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, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has six CICs as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding



Annexure A to the Independent Auditor's Report on the Financial Statements of C- Edge Technologies Limited for the year ended 31 March 2023 (Continued)

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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Rajesh Shetty

Partner

Place: Mumbai

Date: 25 April 2023

Membership No.: 130778

ICAI UDIN:23130778BGZQIZ7413

Annexure B to the Independent Auditor's Report on the financial statements of C- Edge Technologies Limited for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of C- Edge Technologies Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Annexure B to the Independent Auditor's Report on the financial statements of C- Edge Technologies Limited for the year ended 31 March 2023 (Continued)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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



Rajesh Shetty

Partner

Place: Mumbai

Date: 25 April 2023

Membership No.: 130778

ICAI UDIN:23130778BGZQIZ7413