NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Balance Sheet as at 31 March 2020

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	388	488
Intangible assets	4	13	23
Right-of-use assets	43	580	-
Financial assets			
Investments	5(i)	12,639	8,545
Other Financial Assets	5(iii)	124	113
Deferred tax assets (net)	6	369	325
Non current tax asset (net)	7	500	72
Other non-current assets	8	624	861
		15,237	**10,427**
Current assets			
Financial assets			
Investments	5 (ii)	-	3,347
Trade receivables	5(iv)	3,712	2,071
Cash and cash equivalents	5(v)	1,524	682
Other financial assets	5 (iii)	702	377
Other current assets	8	318	419
		6,256	**6,896**
Total Assets		**21,493**	**17,323**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9 (i)	81	81
Other equity	9 (ii)	18,628	11,971
Total equity		**18,709**	**12,052**
Non- current liabilities			
Financial liabilities			
Lease Liability	43	341	-
Long term provisions	10	364	216
		705	**216**
Current liabilities			
Financial liabilities			
Trade payables	11		
Total oustanding dues of micro enterprises and small enterprises		6	24
Total oustanding dues of creditors other than micro enterprises and small enterprises		223	163
Lease Liability	43	440	-
Other financial liabilities	12	104	3,014
Short term provisions	10	30	26
Liabilities for current tax (net)	13	192	840
Other current liabilities	14	1,084	988
		2,079	**5,055**
Total liabilities		**2,784**	**5,271**
Total equity and liabilities		**21,493**	**17,323**

Summary of significant accounting policies	2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R Batliboi & Associates LLP
Firm Registration No.101049W/E300004
Chartered Accountants

For and behalf of Board of Directors of
NIIT Incessant Private Limited

per Darshan Varma
Partner
Membership No.: 212319

Place : Hyderabad
Date : 03 May 2020

Ajay Kalra
Director
DIN: 03157214

Place :
Date : 03 May 2020

Sanjeev Prasad
Director
DIN: 07490849

Place :
Date : 03 May 2020

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Statement of Profit and Loss for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

Particulars	**Notes**	**For the year ended March 2020**	**For the year ended March 2019**
Revenue from contracts with customers	15	13,931	11,514
Other income	16	1,873	5,656
Total income		**15,804**	**17,170**
Expenses			
Employee benefit expense	17	8,544	7,044
Depreciation and amortization expense	18	497	315
Other expenses	19	1,460	2,174
Finance costs	20	127	60
Total expenses		**10,628**	**9,593**
Profit before exceptional items and tax		**5,176**	**7,577**
Exceptional items	37	(213)	520
Profit before tax		**5,389**	**7,057**
Income tax expense:	21		
- Current tax		1,438	1,699
- Deferred tax		46	(133)
Total tax expense		**1,484**	**1,566**
Profit for the year		**3,905**	**5,491**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Deferred gains/(loss) on cash flow hedge		(97)	-
Income tax (expense) / income relating to these items	21	24	-
		(73)	-
Items that will not be reclassified to profit or loss			
Remeasurement of post - employment benefit obligations (expenses) / income		1	174
Income tax (expense) / income relating to these items #	21	(0)	(51)
		1	**123**
Other comprehensive (expense)/income for the year, net of tax		**(72)**	**123**
Total comprehensive income for the year, net of tax		**3,833**	**5,614**
Earnings per share (EPS)	22		
Basic earnings per share (Rs.)		96.48	135.63
Diluted earnings per share (Rs.)		96.48	135.63
Summary of significant accounting policies	2		

Nil due to rounding off to nearest lakhs
The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R Batliboi & Associates LLP
Firm Registration No.101049W/E300004
Chartered Accountants

per Darshan Varma
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Membership No.: 212319

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For and behalf of Board of Directors of
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Ajay Kalra
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Sanjeev Prasad
Director
DIN: 07490849

Place :
Date : 03 May 2020

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Cash flow statement for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities			
Profit before income tax, after exceptional items		5,389	7,057
Adjustments for:			
Depreciation and amortisation expense, including right-of-use assets		497	315
Exceptional item		(213)	-
Provision no longer required written back		(40)	
Gain on sale of investments		(23)	(52)
Changes in fair value of financial assets at fair value through profit and loss		-	(2)
Interest on lease liability		95	-
Unwinding of discount on security deposits		(10)	(9)
Loss on sale of fixed assets (net)		24	11
Interest others		27	51
Dividend income		(14)	(4,760)
Allowance for doubtful debts		11	-
Unrealised foreign exchange (gain)/loss		(22)	64
Working capital adjustments:			
(Increase) in non current financial assets		(1)	(9)
(Increase) in other non current assets		(553)	(827)
(Increase) in trade receivables		(1,630)	(389)
(Increase) in other current financial assets		(318)	(177)
Decrease/(Increase) in other current assets		91	(193)
Increase in trade payables		42	95
Increase/(Decrease) in provisions		152	(21)
Increase in non-current financial liabilities		(58)	
Increase in other current liabilities		351	740
		3,797	**1,894**
Income taxes paid, net		(1,713)	(980)
Net cash flows from operating activities		**2,084**	**914**
Cash flow from investing activities			
Purchase of property, plant and equipment		(113)	(384)
Purchase of intangible assets		(8)	(113)
Proceeds from sale of property, plant and equipment		12	
Investment in subsidiary		(4,094)	(2,306)
Purchase of current investments		-	(8,314)
Proceeds from sale of current investments		3,370	6,016
Dividend received from current investments		14	4,760
Net cash flows used in investing activities		**(818)**	**(340)**
Cash flow from financing activities			
Repayment of lease liabilities		(424)	-
Proceeds from borrowings (working capital loan)		1,252	-
Repayment of borrowings (working capital loan)		(1,252)	-
Net cash flows used in financing activities		**(424)**	**-**
Net increase in cash and cash equivalents		842	573
Cash and cash equivalents at the beginning of the year		682	109
Cash and cash equivalents at year end		**1,524**	**682**
Components of cash and cash equivalents	5(v)		
Balances with banks			
- in current accounts		1,524	682
Cash on hand*		-	-
Cheques in hand*		-	-
Total cash and cash equivalents		**1,524**	**682**
Summary of significant accounting policies	2		

*Nil due to rounding off to Rupees Lakhs

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.101049W/E300004
Chartered Accountants

For and behalf of Board of Directors of
NIIT Incessant Private Limited

per Darshan Varma
Partner
Membership No.: 212319

Place : Hyderabad
Date : 03 May 2020

Ajay Kalra
Director
DIN: 03157214

Place :
Date : 03 May 2020

Sanjeev Prasad
Director
DIN: 07490849

Place :
Date : 03 May 2020

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Statement of changes in equity for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

a. Equity share capital

	Number	Amount
Equity shares of Rs. 2 each issued, subscribed and fully paid		
As at 31 March 2018	4,047,631	81
Changes during the year	-	-
As at 31 March 2019	**4,047,631**	**81**
Changes during the year	-	-
As at 31 March 2020	**4,047,631**	**81**

b. Other equity

	Securities premium	General reserves	Retained earnings	Cash flow hedging Reserve	Total
Balance at 31 March 2018	5,829	116	1,536	-	7,481
Profit for the year	-	-	5,491	-	5,491
Other comprehensive income	-	-	123	-	123
Reclass to financial liability (refer note 12)	-	-	(1,124)	-	(1,124)
Balance at 31 March 2019	**5,829**	**116**	**6,026**	**-**	**11,971**
Impact of Ind AS 116 adjustment, net of tax (refer note 43)	-	-	(190)	-	(190)
Balance at 01 April 2019	**5,829**	**116**	**5,836**	**-**	**11,781**
Profit for the year	-	-	3,905	-	3,905
Other comprehensive income	-	-	1	(73)	(72)
Reclass from financial liability (refer note 12)	-	-	3,014	-	3,014
Balance at 31 March 2020	**5,829**	**116**	**12,756**	**(73)**	**18,628**

Summary of significant accounting policies	2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.101049W/E300004
Chartered Accountants

For and behalf of Board of Directors of
NIIT Incessant Private Limited

per Darshan Varma
Partner
Membership No.: 212319

Place : Hyderabad
Date : 03 May 2020

Ajay Kalra
Director
DIN: 03157214

Place :
Date : 03 May 2020

Sanjeev Prasad
Director
DIN: 07490849

Place :
Date : 03 May 2020

1. Corporate information

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited) ("the Company") is a private company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The Company is a subsidiary of NIIT Technologies Limited having its principal place of business located at Hyderabad, India. The Company is a Global Business Process Management Specialist providing IT Services, strategic consulting and vertical specific solutions to clients in India, USA, UK, Australia, Canada and Ireland and delivers services directly and through its network of subsidiaries. The Company also has an overseas branch in Canada.

The financial statements were authorised for issue in accordance with a resolution of the directors on 03 May 2020.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

(a) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended).
NIIT Technologies Limited, the holding company prepares its consolidated financial statements including the Company in accordance with Ind AS and files the same with the Registrar. The Company has therefore availed the exemption provided under Companies (Accounts) Amendment Rules, 2016 and has not prepared consolidated financial statements.

(b) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- certain financial assets and liabilities (including derivative instruments) measured at fair value (refer accounting policy regarding financial instruments); and
- defined benefit plans - plan assets measured at fair value.

The financial statements are presented in Indian Rupee (Rs.) and all values are rounded to the nearest lakhs (Rs. 00,000), except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.
An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

i. It is expected to be settled in normal operating cycle,
ii. It is held primarily for the purpose of trading
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(b) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Financial statements of the Company are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

Transactions and balances

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the monthly rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the Statement of Profit and Loss.

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All monetary assets and liabilities in foreign currency are restated at the end of the accounting period. Exchange difference on restatement of all other monetary items are recognized in the Statement of Profit and Loss.

(c) Fair value measurement

The Company measures financial instruments, such as investment in mutual funds, at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company’s accounting policies. For this analysis, management regularly reviews significant unobservable inputs applied in the valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

(d) Revenue from contract with customer

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of discounts and taxes. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

As per IndAS 115, “Revenue from Contracts with Customers”, revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The Company presents revenues net of indirect taxes in its statement of Profit and loss.

Rendering of services

The Company provides services to its subsidiaries as well as outside customers. Revenue is recognized when persuasive evidence of an arrangement exists, services have been rendered, the fee is determinable and collectability is reasonably assured.

Revenue from rendering of services to subsidiaries is recognized on accrual basis for services rendered and billed as per terms of specific contracts.

Revenue from provision of trained resources to subsidiaries are recognised as resources are utilised by (or) services are provided to the customer in accordance with the contract terms.

Contracts with outside customers are only time and material contracts.

Time and material contracts

Revenue with respect to time and material contracts is recognized as the related services are performed.

Fixed price contract

Revenue from fixed-price, fixed-capacity/ fixed monthly contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity.

Revenues in excess of invoicing are treated as contract assets (which is referred as unbilled revenue) while invoicing in excess of revenues are treated as contract liabilities (which is referred as deferred revenues). The Company classifies amounts due from customer as receivable or unbilled revenue depending on whether the right to consideration is unconditional. If only the passage of time is required before payment of the consideration is due, the amount is classified as receivable. Otherwise, such amounts are classified as unbilled revenue.

Other income

Interest income

Interest income is recognized on a time proportion basis taking into amount outstanding and applicable interest rate. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognized in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(e) Income tax

Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its overseas branches operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

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

Current tax and deferred tax are recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity.

(f) Leases & Right-of-use assets

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, 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

In accordance with IndAS 116, the Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Company recognises the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (g) Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company’s lease liabilities are included in Financial liabilities in the financial statements of the Company.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term lease of premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term lease is recognised as expense as and when incurred.

(g) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(h) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Statement of cash flows, cash and cash equivalents include cash in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Investments and other financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in three categories:
- Debt instruments at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Debt instruments and derivatives at fair value through profit or loss (FVTPL).

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments:

Amortized cost:
A 'debt instrument' is measured at the amortised cost if both the following conditions are met:
- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Fair value through profit or loss:
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:
- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets
In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., deposits, trade receivables, contract asset and bank balance; and
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

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

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

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, Company is required to consider all contractual terms of the financial instrument (including prepayment and extension) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument.

Investment in subsidiaries
Investment in subsidiaries are accounted for at cost.

(j) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, liabilities recognised for put option and derivative financial instruments.

Subsequent measurement
Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit and Loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

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

(k) Derivatives and hedging activities

Derivative financial instrument is initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For hedge accounting, Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(m) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation less impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets. The estimates of useful lives of the assets are as follows:

Asset	Useful life
Computers	3-6 years
Furniture and fixtures	10 years
Office equipment	3-5 years
Vehicles	8 years
Leasehold improvements	3 years or lease period whichever is lower

The asset's useful life is reviewed, and adjusted if appropriate, at the end of each reporting period.
Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the Statement of Profit and Loss when the assets are derecognized.

(n) Intangible assets

Intangible assets represent computer software

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Costs associated with maintaining software are recognized as an expense and charged to the Statement of Profit and Loss.

Depreciation methods, estimated useful lives and residual value

Intangible assets are amortised on a straight line basis over their estimated useful lives determined based on an internal technical valuation and charged to Statement of Profit and Loss. The estimated useful lives of intangible assets are as specified in Schedule II of the Companies Act, 2013 which is 3 years.

The asset's useful life is reviewed, and adjusted if appropriate, at the end of each reporting period.

(o) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of management's best estimates of the expenditure incurred to settle the present obligation at the end of the reporting period.

(p) Retirement and other employee benefits

Defined Contribution Plans

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The Company's contributions to defined contribution plans are recognized in the Statement of Profit and Loss as and when the services are received from the employees.

Defined Benefit Plans

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability recognized in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less fair value of the assets. The present value of the defined benefit obligations denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of related obligation. The contributions in respect of defined benefit gratuity fund are made to Life Insurance Corporation based on its advice. The accounting charge for benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of re-measurements are recognized through Other Comprehensive Income in the period in which they occur.

Other Benefit Plans

Compensated absences

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. This benefit is unfunded.

Compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss.

Compensated absences that are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits and the obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.3 Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the financial statements of the Company.

Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019. For detailed explanations, refer note 43

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Notes to financial statements for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

3 Property, plant and equipment

	Computers	Furniture and Fixtures	Office Equipments	Vehicles	Leasehold Improvements	Total
Cost						
As at 31 March 2018	358	10	103	128	110	**709**
Additions	220	-	37	117	10	384
Disposals	-	-	-	(31)	-	(31)
As at 31 March 2019	**578**	**10**	**140**	**214**	**120**	**1,062**
Additions	93	-	5	15	-	113
Disposals	-	-	-	(68)	-	(68)
As at 31 March 2020	**671**	**10**	**145**	**161**	**120**	**1,107**
Depreciation						
As at 31 March 2018	240	10	44	31	80	**405**
Depreciation charge for the year	117	-	16	30	26	189
Disposals	-	-	-	(20)	-	(20)
As at 31 March 2019	**357**	**10**	**60**	**41**	**106**	**574**
Depreciation charge for the year	121	-	24	29	3	177
Disposals	-	-	-	(32)	-	(32)
As at 31 March 2020	**478**	**10**	**84**	**38**	**109**	**719**
Net Book Value						
As at 31 March 2019	**221**	**-**	**80**	**173**	**14**	**488**
As at 31 March 2020	**193**	**-**	**61**	**123**	**11**	**388**

4 Intangible Assets

	Computer Software	Total
Cost		
As at 31 March 2018	121	121
Additions	113	113
As at 31 March 2019	**234**	**234**
Additions	8	8
As at 31 March 2020	**242**	**242**
Amortization		
As at 31 March 2018	85	85
Amortization charge for the year	126	126
As at 31 March 2019	**211**	**211**
Amortization charge for the year	18	18
As at 31 March 2020	**229**	**229**
Net Book Value		
As at 31 March 2019	**23**	**23**
As at 31 March 2020	**13**	**13**

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Notes to financial statements for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

5 Financial Assets

5(i) Non-current investments

	31 March 2020	31 March 2019
Investments in equity instruments (fully paid)		
Unquoted in Subsidiary Companies:		
1,000 (31 March 2019: 1,000) Equity shares of GBP 1 each in Incessant Technologies (UK) Ltd, UK	1	1
100 (31 March 2019: 100) Equity shares of AUD 1 each in Incessant Technologies (AUS) Pty Ltd, Australia	7	7
100% (31 March 2019: 100%) Equity Shares In Incessant Technologies NA Inc., USA	200	200
100% (31 March 2019: 100%) equity shares in Incessant Technologies (Ireland) Limited	-	-
80% (31 March 2019: 67.5%) equity shares in RuleTek Inc., USA (refer note 27)	12,431	8,337
	12,639	**8,545**
Aggregate value of unquoted investments	12,639	8,545

5(ii) Current investments

	31 March 2020	31 March 2019
Investments at fair value through profit or loss		
Investment in Mutual Funds - Quoted		
Nil (31 March 2019: 4,301) units of HDFC Liquid Fund-Direct Plan-Growth	-	158
Nil (31 March 2019: 14,522,031) units of HDFC Arbitrage Fund-WP-Monthly DP	-	1,519
Nil (31 March 2019: 56,987) units of ICICI Liquid Fund-Direct Plan-Growth	-	160
Nil (31 March 2019: 10,487,200) units of ICICI Prudential Equity Arbitrage Fund-Direct Plan-Dividend	-	1,510
	-	**3,347**
Aggregate book value of quoted investments	-	3,347
Aggregate market value of quoted investments	-	3,347

5(iii) Other Financial Assets

(Unsecured, considered good unless otherwise stated)	31 March 2020		31 March 2019	
	Non- Current	**Current**	**Non- Current**	**Current**
Other receivables #	-	484	-	358
Derivatives				
Foreign exchange forward contracts (refer note 32)	-	7	-	-
Security deposits	124	-	113	-
Unbilled receivable	-	211	-	19
	124	**702**	**113**	**377**

#Includes receivables from related parties amount to Rs 484 (31 March 2019: Rs 294)

5(iv) Trade receivables

	31 March 2020	31 March 2019
Trade receivables	704	411
Receivables from related parties (Refer note 36)	3,019	1,660
	3,723	**2,071**
Less: Allowance for doubtful debts	(11)	-
	3,712	**2,071**

Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days.

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Notes to financial statements for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

5(v) Cash and cash equivalents	31 March 2020	31 March 2019
Balances with Banks :		
- in current accounts	1,524	682
- in bank overdraft # *	0	-
	1,524	**682**
Cash on hand*	-	-
Cheques, drafts on hand*	-	-
	1,524	**682**

*Nil due to rounding off to Rupees in lakhs

Company has hypothecated its book debts, current assets and trade receivables towards the working capital facility availed from the bank in the current year.

Break up of financial assets carried at amortised cost

	31 March 2020	31 March 2019
Other financial assets (refer note 5 (iii))	819	490
Trade receivable (refer note 5 (iv))	3,712	2,071
Cash and cash equivalents (refer note 5 (v))	1,524	682
Total financial assets carried at amortised cost	**6,055**	**3,243**

6 Deferred tax assets (Net)

Deferred tax assets relates to the following:	31 March 2020	31 March 2019
Property, plant & equipment: Impact of difference between tax depreciation and depreciation/amortization charged for financial reporting	60	75
Tax impact of re-measurement of cost on net defined benefit liability and bonus provision	227	125
Tax impact of temporary differences pertaining to exceptional items (refer note 37)	-	125
Derivatives (refer note 32)	24	-
Right-of-use assets and Lease Liability (refer note 43)	56	-
Others	2	-
	369	**325**

Movement in deferred tax assets

	Property, plant & equipment	Right-of-use assets and Lease Liability	Employee benefits	Exceptions items	Derivatives	Others
At 1 April 2018	36	-	207	-	-	-
(charged)/credited:	-	-	-	-	-	-
- to profit or loss - deferred tax	39	-	(31)	125	-	-
- to other comprehensive income	-	-	(51)	-	-	-
At 31 March 2019	**75**	**-**	**125**	**125**	**-**	**-**
(charged)/credited:						
- to profit or loss - deferred tax	(15)	(10)	102	(125)	-	2
- movement in general reserve	-	66	-	-	-	-
- to other comprehensive income	-	-	-	-	24	-
At 31 March 2020	**60**	**56**	**227**	**-**	**24**	**2**

7 Non current tax asset (net)	31 March 2020	31 March 2019
Advance Income Tax (net of provision of income tax)	500	72
	500	**72**

8 Other assets	31 March 2020		31 March 2019	
(Unsecured, considered good unless otherwise stated)	Non- Current	Current	Non- Current	Current
Prepayments	1	99	21	108
Balance with statutory/government authorities	-	137	-	226
Taxes paid under protest	10	-	-	-
Deferred contract cost	58	33	-	-
Royalty tax credit (refer note 38)	555	-	840	-
Other advances	-	49	-	85
	624	**318**	**861**	**419**

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

9 Equity share capital and other equity

(i) Equity share capital

Authorized equity share capital	**31 March 2020**	**31 March 2019**
25,000,000 (31 March 2019: 25,000,000) equity shares of Rs. 2/ each.	500	500
	500	**500**
Issued, subscribed and fully paid up shares		
4,047,631 (31 March 2019: 4,047,631) equity shares of Rs. 2/ each.	81	81
	81	**81**

Reconciliation of number of shares outstanding, amount at the beginning and at the end of the year

	31 March 2020		31 March 2019	
	No.	**Amount**	**No.**	**Amount**
At the beginning of the year	4,047,631	81	4,047,631	81
At the end of the year	**4,047,631**	**81**	**4,047,631**	**81**

Terms and rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs. 2 per share. Every holder of equity shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of 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.

Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:	**31 March 2020**	**31 March 2019**
NIIT Technologies Limited		
4,047,631 (31 March 2019: 3,642,868) equity shares	81	73

Details of shareholders holding more than 5% shares in the Company

	31 March 2020		31 March 2019	
Name of Shareholder	**No. of Shares held**	**% of Holding**	**No. of Shares held**	**% of Holding**
NIIT Technologies Limited	4,047,631	100.00%	3,642,868	90.00%
Vijay Madduri	-	0.00%	222,619	5.50%
Murali Mohan Darapureddy	-	0.00%	182,144	4.50%

(ii) Other equity

Securities Premium Reserve	**31 March 2020**	**31 March 2019**
Opening Balance	5,829	5,829
Change during the period	-	-
	5,829	**5,829**

General reserve	**31 March 2020**	**31 March 2019**
Opening balance	116	116
Change during the period	-	-
	116	**116**

Cash flow hedging reserve	**31 March 2020**	**31 March 2019**
Opening balance	-	-
Fair value changes on Cash flow hedges, net of tax	(73)	-
	(73)	**-**

Retained earnings	**31 March 2020**	**31 March 2019**
Opening balance	6,026	1,536
Impact of Ind AS 116 adjustment, net of tax (refer note 43)	(190)	-
Net profit for the year	3,905	5,491
Items of other comprehensive income recognized directly in retained earnings		-
Remeasurement of post employment benefit obligation, net of tax	1	123
Reclass from/(to) financial liability (Refer Note 12)	3,014	(1,124)
	12,756	**6,026**
Total other equity	**18,628**	**11,971**

Nature and purpose of other reserves

Securities Premium reserves

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

General reserve

This represents appropriation of profits by the Company.

Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecasted transactions, i.e., Revenue, as described within Note 32. For hedging foreign currency risk, the Company uses Foreign Currency Forward Contracts which are designated as Cash Flow Hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognized in the Cash Flow Hedging Reserve. Amount recognized in the Cash Flow Hedging Reserve is reclassified to profit or loss when the hedged item i.e., revenue effects profit and loss.

NIIT Incessant Private Limited (formerly known as Incessant Technologies Private Limited)
CIN: U72200TG2007PTC056127
Notes to financial statements for the year ended 31 March 2020
(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

10 Provisions	**31 March 2020**		**31 March 2019**	
	Long term	**Short term**	**Long term**	**Short term**
Leave encashment	57	30	44	26
Gratuity (refer note 29)	307	-	172	-
	364	**30**	**216**	**26**

11 Current Trade Payables	**31 March 2020**	**31 March 2019**
Total oustanding dues of micro enterprises and small enterprises (refer note 24)	6	24
Total oustanding dues of creditors other than micro enterprises and small enterprises #	223	163
	229	**187**

#Includes payables to related parties amount to Rs 79 (31 March 2019: Rs 28)

	31 March 2020		**31 March 2019**	
12 Other financial liabilities	**Long term**	**Short term**	**Long term**	**Short term**
Liability recognised on put option (refer note 26)	-	-	-	3,014
Derivatives				
Foreign exchange forward contracts (refer note 32)	-	104	-	-
	-	**104**	**-**	**3,014**

13 Liabilities for current tax (net)	**31 March 2020**	**31 March 2019**
Provision for taxes (net of advance tax)	192	840
	192	**840**

14 Other current liabilities	**31 March 2020**	**31 March 2019**
Statutory Liabilities	155	755
Advance from employees	23	23
Employee benefits payable	906	210
	1,084	**988**

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019
15	**Revenue from contracts with customers**		
	Sale of services	13,931	11,514
		13,931	**11,514**
16	**Other income**		
	Dividend income from investment in mutual funds	14	44
	Dividend income from subsidiaries	-	4,716
	Gain on sale of investments	23	52
	Fair value gain on financial instruments at fair value through profit or loss (net)	-	2
	Net foreign exchange gains	18	-
	Unwinding of discount on security deposits	10	9
	Recovery from subsidiaries for support services	1,427	738
	Provision no longer required written back	40	-
	Miscellaneous income	341	95
		1,873	**5,656**
17	**Employee benefits expense**		
	Salaries, bonus and allowances	7,881	6,511
	Contribution to provident and other funds	364	292
	Gratuity (Refer note 29)	136	108
	Staff welfare expenses	163	133
		8,544	**7,044**
18	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment (refer note 3)	177	189
	Amortization of intangible assets (refer note 4)	18	126
	Depreciation of Right-of-use assets (refer note 43)	302	-
		497	**315**
19	**Other expenses**		
	Rental charges	100	514
	Rates and taxes	3	1
	Electricity and water charges	83	83
	Telephone and communication charges	96	94
	Legal and professional fees	230	287
	Travelling and conveyance	486	559
	Recruitment expenses	43	269
	Insurance	3	2
	Repairs and maintenance		
	Buildings	135	135
	Others	58	48
	Net foreign exchange losses	-	15
	Allowance for doubtful debts	11	-
	Payment to auditors (refer note 19(a) below)	24	24
	Advertisement and publicity	2	13
	Professional charges	76	77
	Loss on sale of tangible / intangible assets (net)	24	11
	Corporate social responsibility expenditure (refer note 19 (b) below)	74	30
	Miscellaneous expenses	12	12
		1,460	**2,174**
19 (a)	**Details of payments to auditors**		
	Statutory audit	10	10
	Tax audit	3	3
	Others	8	8
	In other capacities:		
	Certification fees	2	2
	Re-imbursement of expenses	1	1
		24	**24**

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

		For the year ended 31 March 2020	For the year ended 31 March 2019
19 (b)	**Details of Corporate social responsibility expenditure**		
	Gross amount required to be spent during the year	74	30
	Amount spent during the year on:		
	On purpose other than Construction/ acquisition of an asset	74	30
20	**Finance costs**		
	Interest on lease liabilities (refer note 43)	95	-
	Bank and financial charges	5	9
	Interest- others	27	51
		127	**60**
21	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	In respect of current year	1,495	1,699
	In respect of previous year	(57)	-
		1,438	**1,699**
	Deferred tax		
	In respect of current year	(11)	(133)
	In respect of previous year	57	-
		46	**(133)**
	Income tax expense	**1,484**	**1,566**
	(b) Amount recognised directly in equity		
	Deferred tax asset/(liability) on other comprehensive income	**24**	**(51)**

(c) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit before income tax expense (including OCI)	5,293	7,231
Enacted tax rates in India	25.17%	29.12%
Computed expected tax expense	**1,332**	**2,106**
Add/(Less):Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Differential tax effect on dividend income from subsidiary	-	(554)
Effect of non-deductible expenses	16	44
Effect of non-taxable income	(36)	(15)
Effect of differential overseas branch tax rates	59	
Royalty tax payable for revenue earned from Australia	88	74
Royalty tax credit available on revenue earned from Australia	(74)	(74)
Adjustments in Deferred Tax due to change in Tax rates	32	36
Taxes of earlier years	43	-
	1,460	**1,617**

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

22. Earnings per share

	31 March 2020	31 March 2019
Basic earnings per equity share of Rs. 2 each		
From operations attributable to the equity holders of the company	96.48	135.63
Diluted earnings per equity share of Rs. 2 each		
From operations attributable to the equity holders of the company	96.48	135.63
Reconciliations of earnings used in calculating earnings per share		
(i) Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share:	3,905	5,491
(ii) Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share:	3,905	5,491
Weighted average number of shares used as the denominator		
(i) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	4,047,631	4,047,631
(ii) Weighted average number of equity shares and potential equity shares used as the denominator in calculating diluted earnings per share	4,047,631	4,047,631

23. Commitments

Contracts remaining to be executed on capital account and not provided for amounted are estimated to be Nil (31 March 2019: Nil).

24. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

	31 March 2020	31 March 2019
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	6	24
Interest due on above	-	-
	6	**24**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The 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 the MSMED Act 2006.	-	-

25. In accordance with the shareholder's agreement entered between the Company, its promoters and NIIT Technologies Limited on 05 May 2015, further amended by an amendment to the agreement on 23 March 2018, NIIT Technologies Limited ("NIIT") has acquired 100% (31 March 2019: 90%) of the equity share capital of the Company. Accordingly, as on 31 March 2020, the Company is a wholly owned subsidiary of NIIT Technologies Limited.

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

26. Liability recognised on put option on shares held by the holding company

The terms of the share purchase agreement provided NIIT Technologies Limited a right to sell back their shares and post an obligation on the Company. The occurrence (or) non-occurrence of these events was beyond the control of the Company and the Company had therefore, recognised a financial liability in the previous years to account for future possible cash outflow on such buy-back by reclassifying a portion of retained earnings to financial liability. As no price was specified for such buy back in the agreements, the Company had recognised liability equal to the maximum possible cash outflow based on the buy-back limits placed by provisions of the Companies Act, 2013 which is recognised in the agreement above.

During the current year, since NIIT Technologies Limited has acquired 100% of the equity share capital of the Company and this liability is reclassified back to retained earnings.

27. Acquisition of third tranche in Ruletek Inc., USA

As at 31 March 2020, the Company holds 80% (31 March 2019: 67.5%) shareholding in Ruletek Inc. As per the terms of share purchase agreement dated 31 May 2017 signed between the Company and Shareholders of Ruletek Inc., the Company acquired 12.5% shareholding of Ruletek Inc., in May 2019 for cash consideration of Rs.4,094.

As per the share purchase agreement, the Company has the option to acquire the remaining 20% shareholding within 15 days of audit completion of financial year ending 31 March 2020 post which RuleTek Inc. will become a wholly owned subsidiary of the Company.

28. Segment Information

As per Ind AS 108 - Operating Segments, where the financial report contains both the consolidated financial statements of a parent as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements, accordingly no segment information is disclosed in these financial statements of the Company.

29. Defined Benefit Plan

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of completed service. The gratuity plan is a funded plan and the company makes contributions to Life Insurance Corporations of India. The Company does not fully fund the liability and maintains a target level of funding to be maintaining over of period of time based on estimations of expected gratuity payments.

Balance Sheet amounts – Gratuity

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
31 March 2018	**410**	**(172)**	**238**
Current service cost	92	-	92
Interest expense/ (income)	30	(14)	16
Total amount recognized in profit or loss	**122**	**(14)**	**108**
Remeasurements			
Return on plan assets, excluding amounts included in interest	(3)	-	(3)
Loss from change in financial assumptions	11	-	11
Experience loss/(gains)	(182)	-	(182)
Total amount recognized in other comprehensive income	**(174)**	**-**	**(174)**
Employer's Contributions	-	-	-
Employer direct benefit payments	-	-	-
Benefit payments	(15)	15	-
1 April 2019	**343**	**(171)**	**172**
Current service cost	122	-	122
Interest expense/ (income)	24	(10)	14
Total amount recognized in profit or loss	**146**	**(10)**	**136**
Remeasurements			
Return on plan assets, excluding amounts included in interest*	1	-	1
Loss from change in financial assumptions	21	-	21
Experience loss/(gains)	(23)	-	(23)
Total amount recognized in other comprehensive income	**(1)**	**-**	**(1)**
Employer's Contributions	-	-	-
Employer direct benefit payments	-	-	-

	Present value of obligation	Fair value of plan assets	Net amount
Benefit payments	(61)	61	-
31 March 2020	**427**	**(120)**	**307**

The net liability disclosed above relates to funded and unfunded plans as follows:

	31 March 2020	31 March 2019
Present value of funded obligations	427	343
Fair value of plan assets	(120)	(171)
Deficit of funded plan	**307**	**172**

Principal Assumptions

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	31 March 2020	31 March 2019
Discount rate	6.33%	7.10%
Withdrawal rate	16%	16%
Salary growth rate	10% for first 3 yrs and 8% thereafter	10% for first 3 yrs and 8% thereafter

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Sensitivity analysis

A quantitative sensitivity analysis for significant assumption of the above liability as at 31 March 2020 is as shown below:

	31 March 2020	31 March 2019
(a) Effect of 50 basis points change in assumed discount rate on defined benefit obligation		
- 50 basis points increase	424	346
- 50 basis points decrease	453	366
(b) Effect of 50 basis points change in assumed salary escalation rate on defined benefit obligation		
- 50 basis points increase	453	366
- 50 basis points decrease	424	346

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Expected benefit payments for the year ending

	31 March 2020	31 March 2019
Five Years pay-outs		
Year 1	35	29
Year 2	42	36
Year 3	48	42
Year 4	55	45
Year 5	56	48
6 to 10 years	206	182

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

30. Fair value

Category wise classification of financial instruments

	31 March 2020	31 March 2019
Financial assets		
Valued at FVTPL		
Investments in mutual funds	-	3,347
	-	**3,347**
Valued at amortized cost		
Trade receivables	3,712	2,071
Cash and cash equivalents	1,524	682
Other financial assets	819	490
	6,055	**3,243**
Valued at FVTOCI		
Foreign Exchange Forward Contracts	7	-
	7	**-**

	31 March 2020	31 March 2019
Financial liabilities		
Valued at amortized cost		
Trade payables	229	187
Lease Liability	781	-
Other financial liabilities - Put option liability	-	3,014
	1,010	**3,201**
Valued at FVTOCI		
Foreign Exchange Forward Contracts	104	-
	104	**-**

The management assessed that cash and cash equivalents, unbilled revenue, trade receivables, trade payables, lease liabilities and derivative instruments approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair values for security deposits (included in other financial assets) were calculated based on cash flows discounted using a current lending rate.

31. Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:
(a) recognized and measured at fair value, and
(b) measured at amortized cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Quantitative disclosures fair value measurement hierarchy for assets:

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
31 March 2020				
Asset measured at fair value				
Investments in Mutual Funds	-	-	-	**-**
Foreign exchange forward contracts	-	7	-	**7**
31 March 2019				
Asset measured at fair value				
Investments in Mutual Funds	3,347	-	-	**3,347**
Foreign exchange forward contracts	-	-	-	**-**

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

Fair value of financial assets and liabilities measured at amortised cost:

	31 March 2020	31 March 2019
Asset measured at amortised cost		
Trade receivables	3,712	2,071
Cash and cash equivalents	1,524	682
Other financial assets	819	490
	6,055	**3,243**
Liability measured at amortised cost		
Trade and other payables	229	187
Lease Liability	781	-
Other financial liabilities - Put option liability	-	3,014
	1,010	**3,201**

32. Hedging activities

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (where revenue is denominated in a foreign currency).

The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of forecasted sales.

When a derivative is entered for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions, the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

At 31 March 2020, the Company hedged its expected foreign currency sales in line with the risk management policy. Those hedged sales were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

The Company is holding the following foreign exchange forward contracts (highly probable forecasted sales)

Particulars	**Less than 1 month**	**1 to 3 months**	**3 to 6 months**	**6 to 9 months**	**9 to 12 months**	**Total**
USD/INR						
Notional Amount	132	317	326	262	225	1,262
Average Forward Rate	75	76	76	77	79	77
GBP/INR						
Notional Amount	278	1,055	1,152	-	-	2,485
Average Forward Rate	89	90	94	-	-	92
AUD/INR						
Notional Amount	131	453	646	-	-	1,230
Average Forward Rate	45	45	47	-	-	46

The impact of the hedging instruments on the balance sheet is, as follows:

Foreign exchange forward contracts	**Notional amount**	**Carrying amount**	**Line item in statement of financial position**	**Change in fair value used for measuring ineffectiveness for the period**
At 31 March 2020	4,977	97	Derivative instruments under current financial assets/liabilities	-

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position:

Type of Hedge	Carrying amount of hedging instrument		Maturity date
	Assets	Liabilities	
Cash flow hedge Foreign exchange forward contracts	7	104	April 2020 to March 2021

(b) Disclosure of effects of hedge accounting on financial performance:

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income*	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification
Cash flow hedge Foreign exchange forward contracts (Gross excluding deferred tax income of Rs. 24)	97	Nil	Nil

*The resultant impact on the cash flow hedge reserve for the year ended 31 March 2020; on account of changes in the fair value has been reconciled in Note No. 9.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

For the forward contracts taken by the Company towards the highly probable sales transactions, the Company believes that the probability of the occurrence of these forecasted transactions is not impacted by COVID-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

33. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. Below is the summary of various risk:

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
There are no borrowings on the financial statements. Hence, there is no concentration of interest rate risk.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss and Other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the Company.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound, Australian Dollar, Canadian Dollar and Euro against the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

For the receivables existing as on 31 March 2020, the Company did not enter into any derivative financial instruments for hedging its foreign currency risk. However, the foreign currency risk management policy was revisited by the management and accordingly, the Company entered into forward contracts to hedge against the exchange fluctuations arising from highly probable sale transactions. Refer Note 32 mentioned above.

Foreign currency sensitivity

The following table demonstrate the sensitivity to a reasonable possible change in the foreign currency exchange rates, with all other variables held constant:

	Impact on Profit after Tax	
	31 March 2020	31 March 2019
INR/USD		
Increase by 1% (31 March 2019 - 1%)#	9	(2)
Decrease by 1% (31 March 2019 - 1%)#	(9)	2
INR/EUR		
Increase by 1% (31 March 2019 - 1%)*#	0	(0)
Decrease by 1% (31 March 2019 - 1%)*#	(0)	0
INR/GBP		
Increase by 1% (31 March 2019 - 1%)#	16	(6)
Decrease by 1% (31 March 2019 - 1%)#	(16)	6
INR/CAD		
Increase by 1% (31 March 2019 - 1%)#	3	(1)
Decrease by 1% (31 March 2019 - 1%)#	(3)	1
INR/AUD		
Increase by 1% (31 March 2019 - 1%)#	6	(10)
Decrease by 1% (31 March 2019 - 1%)#	(6)	10
INR/SGD		
Increase by 1% (31 March 2019 - 1%)#	1	-
Decrease by 1% (31 March 2019 - 1%)#	(1)	-

Holding all other variables constant
* Nil due to rounding off to Lakh rupees

(b) Credit risk

Trade receivables

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs.3,712 and Rs.2,071 as of 31 March 2020 and 31 March 2019, respectively, other receivables amounting to Rs. 484 and Rs. 358 respectively and unbilled revenue amounting to Rs. 211 and Rs. 19 as of 31 March 2020 and 31 March 2019, respectively. Trade receivables and unbilled revenue are typically unsecured and are derived from revenue earned through subsidiaries and other corporate customers. The Company earns major revenues from its subsidiaries where the payment is received as and when it is due. For other customers, the Company has used the expected credit loss model to assess the impairment loss or gain on trade receivables and unbilled revenue and has provided it wherever appropriate.

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of verticals, impact immediately seen in the demand outlook of these verticals and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to customers in Travel, Transport and Logistics verticals which could have an immediate impact and the rest which could have an impact with a lag. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables with institutions on no-recourse basis, recognition of revenue on collection basis etc., depending on severity of each case.
Basis this assessment, the allowance for doubtful trade receivables of Rs. 11 as at 31 March 2020 is considered adequate.

Similar assessment is done in respect of unbilled and other receivables of Rs. 211 and Rs. 484 as at 31 March 2020 while arriving at the level of provision that is required.

In respect of security deposit of Rs. 124 as at 31 March 2020, the Company has assessed the counterparty credit risk and believes that no provision is required for its recoverability.

The following table gives the movement in allowance for expected credit loss for the year ended 31 March 2020:

Particulars	**31 March 2020**	**31 March 2019**
Balance at the beginning	-	-
Impairment loss recognized	11	-
Balance at the end	**11**	-

Credit risk on cash and cash equivalents is limited as the management generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and other receivables).

(c) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, the cash flow that is generated from operations. During the current year, the Company also availed the overdraft facility from bank. The Company has no outstanding borrowings from banks. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Maturities of financial liabilities

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments.

	Less than 1 Year	**1-2 Years**	**2-4 Years**	**4-7 Years**	**Total**
31 March 2020					
Trade payables	229	-	-	-	229
Lease Liability	382	399	-	-	781
Foreign exchange forward contracts	104	-	-	-	104
	715	**399**	**-**	**-**	**1,114**
31 March 2019					
Trade payables	187				187
Other financial liabilities - Put option liability	3,014				3,014
	3,201				**3,201**

34. Capital management

Risk management

For the Company’s capital management, capital includes issued equity share capital, share premium and all other equity reserves attributable to the shareholders. The primary objectives of the Company’s capital management are to maximise the shareholder value and safeguard their ability to continue as a going concern. The Company has no outstanding borrowings. The funding requirements are generally met through operating cash flows generated.

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

35. Interests in other entities

Interest in Subsidiaries

The Company's subsidiaries at 31 March 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Company and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also their principal place of business.

Name	Place of business/ country of incorporation	Ownership interest held by the company		Ownership interest held by the Non-controlling interest		Principal Activities
		31 March 2020	31 March 2019	31 March 2020	31 March 2019	
Direct subsidiaries						
Incessant Technologies (Australia) Pty Ltd	Australia	100	100	-	-	Software development
Incessant Technologies (UK) Limited	United Kingdom	100	100	-	-	Software development
Incessant Technologies NA Inc.	USA	100	100	-	-	Software development
Incessant Technologies (Ireland) Limited	Ireland	100	100	-	-	Software development
RuleTek Inc.	USA	80	67.5	20	32.5	Software development

36. Related party transactions

(a) Name of related parties and description of relationship

Nature of relationship	Name of the Company
Ultimate Holding Company	Baring Private Equity Asia GP VII Limited
Holding Company	NIIT Technologies Limited
Subsidiary Companies	Incessant Technologies (Australia) Pty Ltd Incessant Technologies (UK) Limited Incessant Technologies NA Inc. Incessant Technologies (Ireland) Limited RuleTek Inc.
Fellow Subsidiary	ESRI India Technologies Limited (till May 13, 2019) NIIT Technologies Inc. NIIT Technologies Pte Ltd.
Key Managerial Personnel (KMP)	Arvind Thakur (Director) (till 17 May 2019) Sudhir Singh (Director) Vijay Madduri (Chief Executive Officer) (till 31 May 2018) Murali Mohan Darapureddy (Director) (till 27 May 2019) Amit Kumar Garg (Director) (till 27 July 2018) Suresh Kumar Jagannathan (Chief Operating Officer) (from 18 February 2020) Sanjeev Prasad (Additional Director) (from 31 October 2019) Hari Gopalkrishnan (Director) (from 17 May 2019) Sreekanth Lapala (Director) (till 31 October 2019) Ajay Kalra (Director) (from 20 January 2020)
Parties in which the KMP of the Company are	NIIT Institute of Information Technology

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

(b) Balance outstanding as at the year-end:

	31 March 2020	31 March 2019
Incessant Technologies (UK) Ltd, UK		
Disclosed under trade receivables	1,506	544
Disclosed under other receivables	117	95
Disclosed under investments in equity instruments	1	1
Incessant Technologies (AUS) Pty Ltd, Australia		
Disclosed under trade receivables	533	842
Disclosed under other receivables	225	154
Disclosed under investments in equity instruments	7	7
Incessant Technologies NA Inc.,USA		
Disclosed under trade receivables	754	185
Disclosed under other receivables	142	26
Disclosed under investments in equity instruments	200	200
NIIT Technologies Inc.		
Disclosed under trade receivables	192	-
Disclosed under other receivables	-	19
Disclosed under trade payables	1	-
NIIT Technologies Limited		
Disclosed under trade receivables	34	89
Disclosed under trade payables	78	28
Ruletek Inc.,		
Disclosed under investments in equity instruments	12,431	8,337

(c) Transactions during the year:

	31 March 2020	31 March 2019
NIIT Technologies Limited		
Revenue from operations	19	145
Legal and Professional charges	132	179
Miscellaneous income	18	8
Professional charges	3	2
Rental charges	98	113
Reimbursement of expenses to (paid/payable)	60	-
Incessant Technologies (UK) Ltd		
Revenue from operations	6,830	4,868
Dividend income	-	2,892
Recovery for support services	617	356
Reimbursement of expenses from (received/receivable)	106	190
Incessant Technologies (AUS) Pty Ltd		
Revenue from operations	2,377	3,129
Dividend income	-	1,824
Recovery for support services	593	287
Reimbursement of expenses from (received/receivable)	114	118
Reimbursement of expenses to (paid/payable)	408	-
Incessant Technologies NA Inc.		
Revenue from operations	1,501	1,125
Recovery for support services	217	91
Reimbursement of expenses from (received/receivable)	31	96
ESRI India Technologies Limited		
Reimbursement of expenses from (received/receivable)	-	11
NIIT Technologies Inc.	-	-
Revenue from operations	323	94
Miscellaneous income	8	-

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

	31 March 2020	31 March 2019
Reimbursement of expenses to (paid/payable)	-	1
NIIT Technologies Pte Ltd.		
Reimbursement of expenses from (received/receivable)	-	4
NIIT Institute of Information Technology		
CSR Expenditure	51	22
Ruletek Inc.,		
Investment made	4,094	2,308
Remuneration to KMPs #		
Vijay Madduri	-	13
Murali Mohan Darupreddy	6	49
Suresh Kumar Jagannathan	11	-
Sreekanth Lapala	362	-

#As gratuity and compensated absences are computed for all the employees in aggregate, the amounts relating to the key managerial personnel cannot be individually identified.

37. Exceptional items

The Company in the previous year had conducted a detailed tax review for all its Australian operations and based on expert advice, on a voluntary basis, offered to pay the Goods and Service Tax (GST) of Rs.520 (including expected interest and penalty) for the onsite revenue for FY 2015-16 which was deemed as export of services and exempt from GST. Accordingly, a provision for payment of the aforesaid GST liability was created during the previous year against which the Company has made a payment of Rs. 307 in the current year to settle such liability. The remaining provision of Rs. 213 has been reversed in the current year and presented as an exceptional item in the financial statements.

38. Royalty tax credit

The Company in the previous year, under the voluntary rebate scheme introduced by the Australian Taxation Office (ATO) approached the ATO to offer its Australia-sourced income and lodge federal tax return on a voluntary basis for the periods FY 2015-16 to FY 2017-18. The same was done by applying Article 12(3)(g) of the India Australia Double Tax Avoidance Agreement (DTAA). Accordingly, the Company in the previous year had made a provision of Rs.840 for FY 2015-16 till FY 2017-18 with a corresponding royalty tax credit receivable from Indian taxation authorities.

During the current year, the Company has made the payment for aforesaid royalty tax liability of the respective financial years, along with the royalty tax payment of FY 2018-19 amounting to Rs. 95.

The payments made in the current year for FY 2016-17 to FY 2018-19 are claimed as Foreign Tax credit in the Income Tax returns filed by the Company for the respective assessment years and shown under Current tax assets in the financials. The Company has also made provision of Rs.88 for royalty tax liability for FY 2019-20 along with the corresponding tax credit of Rs. 74 (netted off in the financial statement). The Company is in the process of claiming the refund for royalty tax credit for FY 2015-16 and has shown the amount separately in the financials as Royalty tax credit amounting to Rs. 555.

Further during the current year, the Company has received an assessment order for the Income Tax department for AY 2017-18 stating tax demand of Rs. 52 disallowing certain expenditures/payments made by the Company including the foreign tax credit of Rs. 210 in respect of the aforesaid royalty tax credit for the said assessment year on account of non-submission of relevant details/documents. The Company has filed an appeal with the CIT (A) and believes that it will be able to substantiate its claim before the appellate authorities with proper documents/ explanation / evidences / calculations and therefore believes that no provision is required in the books of accounts against such disallowance.

39. Significant accounting judgements estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

Estimates and Assumptions

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

(i) Defined benefit plan – Gratuity

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

(ii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment, though these rates in certain cases are different from lives prescribed under Schedule II of the Companies Act, 2013.

(iii) Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iv) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(v) Impairment of investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

40. In relation to the Supreme Court (SC) judgement on Provident Fund dated 28 February 2019, there were numerous interpretative issues and accordingly, the Company had evaluated in previous year and noted that there was an immaterial impact of the above SC order if considered prospectively till the end of the current financial year. The Company will create additional provision, on receiving further clarity on the subject.

41. Revenue from contracts with customers

a) Disaggregate revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Vertical	**31 March 2020**	**31 March 2019**
Banking and financial services	1,696	1,582
Insurance	6,526	4,245
Travel, Transport and Logistics	209	127
Retail	2,370	3,447
Others	3,130	2,113
Total revenue from contracts with customers	**13,931**	**11,514**

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

b) Contract balances

	31 March 2020	31 March 2019
Trade receivables	3,712	2,071
Unbilled Revenue (Contract assets)	211	19
Total contract balances	**3,923**	**2,090**

c) Performance Obligations

There is no remaining performance obligation as the contracts entered by the Company are typically those contracts where invoicing is on time and material basis.

While the Company believes strongly that it has a rich portfolio of services to partner with customers, the impact on future revenue streams due to COVID 19 pandemic could arise from the following:

- the inability of the Company's customers to continue their businesses due to financial resource constraints or their services no-longer being availed by their customers.
- prolonged lock-down situation resulting in its inability to deploy resources at different locations due to restrictions in mobility.
- customers not in a position to accept alternate delivery modes using Secured Borderless WorkSpaces.
- customers postponing their discretionary spend due to change in priorities.

The Company has assessed that customers in Retail, Banking, Financial Services and Insurance are less prone to immediate impact due to disruption in supply chain and drop in demand while customers in Travel, Transport and Logistics vertical would re-prioritise their discretionary spend in immediate future to conserve resources and assess the impact that they would have due to dependence of revenues from the impacted verticals. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

42. Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the impact of COVlD-19 on recoverability of receivables including trade receivables, unbilled receivables and investments in subsidiaries, the Company has considered internal and external information upto the date of approval of these financial statements including the economic forecasts and related information. The Company has used the principles of prudence in applying judgements, estimates and assumptions including sensitivity analysis and based on the current estimates, the Company expects to recover the carrying amount of these assets.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays / increased cost in meetings its obligations. Such impact could be in the form of provision for onerous contracts or re-setting of revenue recognition in fixed price contracts where revenue is recognised on percentage-of-completion basis. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised service level agreement in light of current crisis, invoking of force-majeure clause etc.

The eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

(All amounts in Indian Rupees Lakhs, except for share data or as otherwise stated)

43. Adoption of Ind AS 116 – Leases:

Effective 01 April 2019, the Company adopted Ind AS 116, Leases, using the modified retrospective approach by recording the cumulative effect of initial application as an adjustment to opening retained earnings. Ind AS 116 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Upon implementation of Ind AS 116, the long-term lease for which the Company is the lessee became on-balance sheet liability with corresponding right-of-use asset also recognised on the statement of financial position. The Company also elected to use the recognition exemption for lease contract that, at the commencement date, has a lease term of 12 months or less and do not contain a purchase option ("short-term lease")

Accordingly, on 01 April 2019, the Company recognised the lease liabilities of Rs. 1,110 and right-of-use assets of Rs. 882, along with net adjustment to opening retained earnings of Rs. 190 (including deferred tax).

Set out below are the carrying amounts of right-of-use asset recognised and the movements during the year:

Particulars	**Building Lease**
As at 01 April 2019	**882**
Depreciation expense	302
As at 31 March 2020	**580**

Set out below are the carrying amounts of lease liability (included under other financial liabilities) and the movements during the year:

Particulars	**Building Lease**
As at 01 April 2019	**1,110**
Accretion of interest	95
Payments	424
As at 31 March 2020	**781**

For S.R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No.101049W/E300004
Chartered Accountants

For and behalf of Board of Directors of
NIIT Incessant Private Limited

per Darshan Varma
Partner
Membership No.: 212319

Place: Hyderabad
Date: 03 May 2020

Ajay Kalra
Director
DIN: 03157214

Place:
Date: 03 May 2020

Sanjeev Prasad
Director
DIN: 07490849

Place:
Date: 03 May 2020