INDEPENDENT AUDITOR'S REPORT

To the Members of NIIT SmartServe Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of NIIT SmartServe Limited ("the Company"), which comprise the balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 1(b) of the financial statements, which describes the uncertainties and the management's assessment of the financial impact as a result of COVID-19. Our opinion is not modified in respect of this matter.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

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

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 26 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Yogender Seth
Partner
Membership Number: 094524
UDIN: 20094524AAAAAR5352

Place of Signature: Gurugram
Date: May 03, 2020

Annexure 1 to the Auditor's Report referred to in paragraph [1] of "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: NIIT SmartServe Limited ("the company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there were no immovable properties included in property, plant and equipment/fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The Company's business does not involve inventories and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales-tax, service tax, duty of custom, value added tax, goods and service tax (as applicable), cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, goods and services tax (as applicable), sales tax, value added tax, duty of custom, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding of income tax, sales tax, service tax, duty of custom, value added tax, goods and service tax (as applicable) and cess on account of any dispute, are as follows:

Name of Statute	Nature of Dues	Amounts under dispute (Rs.)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	6,285,067	Assessment Year 2005-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	631,070	Assessment Year 2015-16	Income Tax Department
Income Tax Act, 1961	Income Tax	773,530	Assessment Year 2018-19	CIT (A)

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank. The Company did not have any outstanding loans or borrowing dues in respect of government or dues to debenture holders during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**
ICAI Firm Registration Number: 101049W/E300004
Chartered Accountants

per Yogender Seth
Partner
Membership Number: 094524

UDIN: 20094524AAAAAR5352

Place of Signature: Gurugram
Date: May 03, 2020

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF NIIT SMARTSERVE LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NIIT SmartServe Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Yogender Seth
Partner
Membership Number: 094524

UDIN: 20094524AAAAAR5352

Place of Signature: Gurugram
Date: May 03, 2020

NIIT SmartServe Limited
(CIN: U72900DL2002PLC114946)
Balance Sheet

(All amounts in Rs.Mn, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	23	25
Other Intangible assets #	4	0	0
Right-of-use assets	31	177	-
Financial assets			
Other financial assets	5 (ii)	56	43
Deferred tax assets (net)	6	29	1
Other non-current assets	7	1	2
Total non-current assets		**286**	**71**
Current assets			
Financial assets			
(i) Investments	5 (i)	20	468
(ii) Trade receivables	5 (iii)	104	79
(iii) Cash and cash equivalents	5 (iv)	22	28
(iv) Bank balances other than (iii) above	5 (v)	541	-
(iv) Other financial assets	5 (ii)	-	28
Current tax assets (Net) #	8	0	5
Other current assets	9	93	69
Total current assets		**780**	**677**
TOTAL ASSETS		**1,066**	**748**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	500	500
Other equity			
Reserves and Surplus	11	265	182
Total equity		**765**	**682**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings #	12(i)	0	2
(ii) Other financial liabilities	12(ii)	191	-
Provisions	14	10	17
Total non- current liabilities		**201**	**19**
Current liabilities			
Financial Liabilities			
(i) Borrowings	12(i)	1	1
(ii) Other financial liabilities	12(ii)	48	-
(iii) Trade Payables			
Total outstanding dues of micro enterprises and small enterprises #	12(iii)	0	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	12(iii)	27	19
Provisions	14	1	2
Other current liabilities	13	23	25
Total current liabilities		**100**	**47**
TOTAL EQUITY AND LIABILITIES		**1,066**	**748**

0 represents amount is below the rounding off norm adopted by the Company.
The accompanying notes are an integral part of financal statement.
As per our report of even date.

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

Sanjeev Prasad
Director
DIN 07490849

Ajay Kalra
Managing Director
DIN 03157214

Yogender Seth
Partner
Membership No.094524
UDIN: 20094524AAAAAV7848
Place : Gurugram
Date : 03rd May, 2020

Natarajan M
Chief Financial Officer

Barkha Sharma
Company Secretary

Place : Gurugram
Date : 03rd May, 2020

NIIT SmartServe Limited
(CIN: U72900DL2002PLC114946)
Statement of Profit and Loss

(All amounts in Rs.Mn, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Revenue from operations	15	624	625
Other income	16	53	39
Total income		**677**	**664**
Expenses			
Employee benefit expense	17	295	281
Depreciation and amortization expense	18	62	20
Other expenses	19	127	242
Finance costs	20	26	3
Total expenses		**510**	**546**
Profit/(loss) before tax		**167**	**118**
Income Tax expense:			
Current tax	21	46	27
Deferred tax	21	(12)	11
Total tax expense		**34**	**38**
Profit for the year		**133**	**80**
Other comprehensive income			
Items that will be not be reclassified to Profit or Loss			
Remeasurement of post - employment benefit obligations		3	1
Income tax relating to these items		(1)	(0)
Other comprehensive income for the year, net of tax		**2**	**1**
Total comprehensive income for the year		**135**	**81**
Earnings per equity share for profit from operations attributable to owners of NIIT SmartServe Limited:			
Basic earnings per share		2.66	1.61
Diluted earnings per share		2.66	1.61

0 represents amount is below the rounding off norm adopted by the Company.
The accompanying notes are an integral part of financal statement.
As per our report of even date.

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

Sanjeev Prasad
Director
DIN 07490849

Ajay Kalra
Managing Director
DIN 03157214

Yogender Seth
Partner
Membership No.094524
UDIN: 20094524AAAAAV7848
Place : Gurugram
Date : 03rd May, 2020

Natarajan M
Chief Financial Officer

Barkha Sharma
Company Secretary

Place : Gurugram
Date : 03rd May, 2020

NIIT SmartServe Limited
(CIN: U72900DL2002PLC114946)
Statement of Changes in Equity

a. **Equity Share Capital**

Particulars	Number	Amount
As at 1 April 2018	**50,000,000**	**500**
Changes in equity share capital	-	-
As at 31 March 2019	**50,000,000**	**500**
Changes in equity share capital	-	-
As at 31 March 2020	**50,000,000**	**500**

b. **Other Equity**

Description	Reserves and Surplus
	Retained Earnings
Balance at April 1 2018	**101**
Profit for the year	80
Other Comprehensive Income	1
Total Comprehensive Income for the year	**81**
Dividend paid	-
Corporate dividend tax	-
	-
Balance at 31 March 2019	**182**

Description	Reserves and Surplus
	Retained Earnings
Balance at April 1 2019	**182**
Profit for the year	133
Other Comprehensive Income	2
Less: Appropriations with Effect of adoption of Ind AS 116 Leases	(52)
Total Comprehensive Income for the year	**83**
Dividend paid	-
Corporate dividend tax	-
	-
Balance at 31 March 2020	**265**

The accompanying notes are an integral part of financal statement.
As per our report of even date.

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

Sanjeev Prasad
Director
DIN 07490849

Ajay Kalra
Managing Director
DIN 03157214

Yogender Seth
Partner
Membership No.094524
UDIN: 20094524AAAAAV7848
Place : Gurugram
Date : 03rd May, 2020

Natarajan M
Chief Financial Officer

Barkha Sharma
Company Secretary

Place : Gurugram
Date : 03rd May, 2020

NIIT SmartServe Limited
(CIN: U72900DL2002PLC114946)
Statement of Cash Flows

(All amounts in Rs., unless otherwise stated)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash flow from operating activities		
Profit before tax	167	118
Profit before income tax including discontinued operations	**167**	**118**
Adjustment for:		
Depreciation and amortisation expenses	62	20
Loss on disposal of property, plant and equipment (net) #	(0)	0
Gain on sale of investments	(76)	-
Unrealized gain on fair valuation of current investments	47	(26)
Dividend income from financial assets	(4)	(3)
Interest income from financial assets at amortised cost	(7)	(6)
Unwinding of discounts - Finance Income	(2)	(2)
Unwinding of discounts - Finance cost	26	1
Employee share based payment expense	-	(1)
Unrealized foreign exchange (gain)/ loss	(5)	2
Interest and Finance charges #	0	0
Changes in operating assets and liabilities:	**207**	**103**
(Increase)/Decrease in trade receivables	(25)	(5)
(Increase)/Decrease in other financial assets	(508)	21
(Increase)/ Decrease in other assets	(23)	(25)
Increase/(Decrease) in trade payables	8	(8)
Increase/ (Decrease) in other current liabilities	(3)	2
Increase/(Decrease) in provisions	(8)	(1)
Cash generated from operations	**(352)**	**87**
Income taxes paid	(60)	(10)
Net cash inflow from operating activities	**(412)**	**77**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangibles	(17)	(13)
Payment for purchase of investment in mutual funds	(303)	(60)
Proceeds from sale of investments in mutual funds	781	-
Proceeds from sale of property, plant and equipment #	2	(0)
Dividends received	4	3
Interest received	7	7
Net cash outflow from investing activities	**474**	**(63)**
Cash flow from financing activities		
Repayment of borrowings	(1)	(1)
Repayment of lease liabilities	(68)	-
Interest paid #	(0)	(1)
Net cash inflow (outflow) from financing activities	**(69)**	**(2)**
Net increase (decrease) in cash and cash equivalents	**(7)**	**12**
Cash and cash equivalents at the beginning of the financial year	28	16
Cash and cash equivalents at the end of the financial year	**22**	**28**
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Balances with Banks		
- in Current Accounts	22	28
Balance as per statement of cash flows	**22**	**28**

\# 0 represents amount is below the rounding off norm adopted by the Company.
The accompanying notes are an integral part of financal statement.
As per our report of even date.

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

Sanjeev Prasad
Director
DIN 07490849

Ajay Kalra
Managing Director
DIN 03157214

Yogender Seth
Partner
Membership No.094524
UDIN: 20094524AAAAAV7848
Place : Gurugram
Date : 03rd May, 2020

Natarajan M
Chief Financial Officer

Barkha Sharma
Company Secretary

Place : Gurugram
Date : 03rd May, 2020

Background

NIIT SmartServe Limited("the Company") is a Company limited by shares, incorporated and domiciled in India. The Company delivers services around the world directly and through its network. The Company is rendering Information Technology and Information Technology enabled Services including Business Process Outsourcing to organizations in a number of sectors viz. Financial Services, Insurance, Travel, Transportation & Logistics. The Company is a wholly owned subsidiary of NIIT Technologies Limited India.

1 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.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Company adopted Ind AS effective April 1,2015.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) and
- defined benefit plans - plan assets measured at fair value
- share-based payments

(iii) 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:

Expected to be realised or intended to be sold or consumed in normal operating cycle

Held primarily for the purpose of trading

Expected to be realised within twelve months after the reporting period, or

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:

It is expected to be settled in normal operating cycle

It is held primarily for the purpose of trading

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies 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) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. These estimates are based on the management's best knowledge of current events, historical experience, actions that the Company may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. Significant estimates and assumptions are used, but not limited to accounting for costs expected to be incurred to complete performance under Information Technology service arrangements, allowance for uncollectible accounts receivables and unbilled revenue, accrual of warranty costs, income taxes, valuation of share-based compensation, future obligations under employee benefit plans, the useful lives of property, equipment and intangible assets, impairment of property, equipment, intangibles and goodwill, valuation allowances for deferred tax assets, and other contingencies and commitments. Changes in estimates are reflected in the financial statements in the period in which the changes are made. Actual results could differ from those estimates.

The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

The Company has considered the possible effects that may result from COVID 19 on the carrying amount of receivables, unbilled revenue and intangible assets. In developing the assumption relating to the possible future uncertainties in the global conditions because of the pandemic, the Company, as on date of approval of these financial statements has used various information, as available. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.

(c) Foreign currency translation

(i) 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 (INR), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

All foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency & the foreign currency at the monthly rate. Foreign exchange gains & 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 profit or 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.

(d) Revenue recognition

The Company derives revenues primarily from IT enabled services comprising of business process outsourcing related services, and from the licensing of software products ("together called as IT enabled and related services").

Effective April 1, 2018, The Company adopted IndAS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

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.

Arrangements with customers for business process outsourcing related services are either on a time-and-material basis, fixed-price, fixed capacity/fixed monthly or transaction based.

Revenue on time and material contracts and fixed monthly contracts are recognized as the related services are performed.

Transaction based revenue is recognised by multiplying transaction rate to actual number of transactions taken place during the period.

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.

Maintenance revenue is recognized ratably over the term of the underlying maintenance arrangement.

Transaction based revenue is recognised by multplying transaction rate to actual transaction take place during a period.

Revenues in excess of invoicing are classified as contract assets (which we refer as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to 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.

In arrangements for business process outsourcing related services and maintenance services, the Company has applied the guidance in Ind AS 115, Revenue from contract with customer, by applying the revenue recognition criteria for each distinct performance obligations. The arrangements with customers generally meet the criteria for considering business process outsourcing related services as distinct performance obligations. For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company uses the expected cost plus margin approach in estimating the standalone selling price. For business process outsourcing related services, the performance obligations are satisfied as and when the services are rendered since the customer generally obtains control of the work as it progresses.

(e) Income 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 and to unused tax losses.

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. 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 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 also 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 statement of profit or loss, except to the extent that it relates to items recognized in Other Comprehensive Income or directly in equity. In this case, the tax is also recognized in Other Comprehensive Income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

(f) Leases

Till March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

With effect from April 1, 2019

The Company has adopted Ind AS 116 "Leases" from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(g) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal or value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or a group of assets (cash-generating units). Non-financial assets, other than goodwill, that suffer an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(i) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(j) Investments and other financial assets

(i) *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.

(ii) *Subsequent measurement*

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

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 three 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:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) 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 profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Fair value through other comprehensive income (FVOCI): A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.
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 Profit and loss

Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.
Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

(iii) *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 consolidated 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.

(iv) *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:
a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
b) 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 18.
The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables or contract revenue receivables; and
- All lease receivables resulting from transactions within the scope of Ind AS 17
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, an Company is required to consider:
- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) 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
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

(k) Financial liabilities

(i) *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, 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 loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments

(ii) *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 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 or 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 or loss.

(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

Freehold land is carried at historical cost. All other 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 profit or loss during the reporting period in which they are incurred.
The cost of assets not ready to used before balance sheet date are disclosed under capital work in progress.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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**
Plant and Machinery:	
Computers and	2-5 years
Office Equipment	5 years
Other assets	3-15 years
Furniture and Fixtures	4-10 years
Leasehold improvements	3 years or lease period whichever is lower
Vehicles	8 years

The useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.
The asset's residual values and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.
The asset's carrying amount is written down immediately to it's recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income/expenses as applicable.

Intangible assets

(i) *Computer software*

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognized as intangible assets when the following criteria are met:

a) it is technically feasible to complete the software so that it will be available for use,
b) management intends to complete the software and use or sell it,
c) there is an ability to use or sell the software,
d) it can be demonstrated how the software will generate probable future economic benefits,
e) adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
f) the expenditure attributable to the software during its development can be reliably measured.
Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

During the period of development, the asset is tested for impairment annually. Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

(ii) *Amortization methods and periods*
The Company amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

Computer software - external	3 years

Project specific software's are amortized over the project duration

(iii) *Transition to Ind AS*
On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(n) Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid as per the agreed terms. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(o) Borrowing Costs
General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time, that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(p) Provisions
Provisions for legal claims, service warranties 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. Provisions are not recognized for future operating losses. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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.

(q) Employee benefits

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

(ii) *Other long-term employee benefit obligations*
The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements comprising of as a result of experience adjustments and changes in actuarial assumptions are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) *Post - employment obligations*

Defined benefit plans:

Provident Fund
Employees Provident Fund contributions are made to a Trust administered by the Holding Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognised as plan assets. The defined benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Gratuity
Gratuity is a post employment defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation at the Balance Sheet date less fair value of plan assets. The Company's liability is actuarially determined (using the projected unit credit method) at the end of each year. Actuarial gains/ losses are recognised in the Statement of Profit and Loss in the year in which they arise.
Past service costs are recognised in profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Defined contribution plan:

Superannuation
The Company makes defined contribution to a Trust established for this purpose. The Company has no further obligation beyond its monthly contributions. The Company's contribution towards Superannuation Fund is charged to Statement of Profit and Loss.

Overseas Employees
In respect of employees of the overseas branches where ever applicable , the Company makes defined contributions on a monthly basis towards the retirement saving plan which are charged to the Statement of Profit and Loss.

Share-based payments
Share-based compensation benefits are provided to employees via the NIIT Technologies Employee Stock Option Plan 2005

Employee options
The fair value of options granted under Employee Stock Option Plan is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the Company over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time)

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged as per the provisions of the Payment of Bonus Act, 1965 as notified on January 01, 2016 or where there is a past service that has created a constructive obligation.

(r) Dividends

Dividend to shareholders is recognised as a liability and deducted from equity, in the year in which the dividends are approved by the shareholders.

(s) Earnings per share

(i) *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, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(ii) *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.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

(t) Fair value measurement

The Company measures financial instruments, such as investment in mutual funds etc., 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 categorized 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. There are no such instruments which are valued using a level 3 hierarchy.

(u) Rounding of amounts

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

(v) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

a) Ind AS 116, Leases

b) Uncertainty over Income Tax Treatments – Appendix C to Ind AS 12, Income Taxes

According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The effect on adoption of Ind AS 12 Appendix C is insignificant in the financial statements of the company.

c) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits

The amendments require an entity : i) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and ii) to recognise in profit or loss as part of past service cost, or again or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 12, Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not have any impact on account of this amendment.

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 31. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Critical estimates and judgments

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgment in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Areas involving critical estimates and judgments are:

- Estimated useful life of intangible asset – Note 4
- Estimation of defined benefit obligation – Note 14
- Impairment of trade receivables – Note 5 (iii)
- Determining the lease term - Note 31

Areas involving significant judgements are:

- Determining the lease term of contracts with renewal and termination options – Company as lessee - Note 1 (f)

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Property, plant and equipment

(All amounts in Rs. Mn, unless otherwise stated)

Year ended 31 March 2019	Plant and Machinery - Computers and Peripherals	Plant and Machinery - Office Equipment	Plant and Machinery -Others	Leasehold Improvements	Furniture and Fixtures	Vehicles	Total
	INR	INR	INR	INR	INR	INR	INR
Gross carrying amount							
Opening gross carrying amount as at April 1, 2018 #	32	3	24	0	2	9	70
Additions #	4	0	0	0	-	1	5
Disposals #	(14)	-	(56)	-	(0)	(1)	(71)
Transfer	(3)	(0)	3	-	-	-	(0)
Closing gross carrying amount	**19**	**3**	**(28)**	**0**	**2**	**9**	**4**
Accumulated depreciation							
Opening accumulated depreciation #	23	1	13	0	0	3	40
Depreciation charge during the year #	7	0	2	0	0	1	11
Disposals #	(14)	-	(56)	-	(0)	(1)	(71)
Transfer	(3)	(0)	3	-	-	-	(0)
Closing accumulated depreciation	**13**	**1**	**(38)**	**0**	**0**	**3**	**(20)**
Net carrying amount #	**6**	**2**	**9**	**(0)**	**2**	**6**	**25**

Year ended 31 March 2020	Plant and Machinery - Computers and Peripherals	Plant and Machinery - Office Equipment	Plant and Machinery -Others	Leasehold Improvements	Furniture and Fixtures	Vehicles *	Total
	INR	INR	INR	INR	INR	INR	INR
Gross carrying amount							
Opening gross carrying amount as at April 1, 2019#	19	3	(28)	0	2	9	5
Additions #	7	-	0	-	-	-	7
Disposals #	(4)	-	(0)	-	(0)	-	(4)
Transfer #						-	-
Closing gross carrying amount	**22**	**3**	**(28)**	**0**	**2**	**9**	7
Accumulated depreciation							
Opening accumulated depreciation #	13	1	(38)	0	0	3	(20)
Depreciation charge during the year #	5	0	2	0	0	1	8
Disposals #	(3)		(0)	-	(0)	-	(3)
Transfer #							-
Closing accumulated depreciation #	**15**	**1**	**(36)**	**0**	**0**	**4**	**(16)**
Net carrying amount #	7	**1**	**8**	**(0)**	**1**	**5**	**23**

*Includes vehicles financed through loans Gross Block Rs. 9 Mn (31st March 2019 - Rs.9 Mn), Net block Rs.5 Mn (31st March 2019 - Rs.6 Mn); hypothecated to financial institutions/banks against term loans (Refer Note No. 12)

4 Intangible Assets

(All amounts in Rs.Mn, unless otherwise stated)

Year Ended 31 March 2019	Other Intangible Assets
	Software-External
	INR
Gross carrying amount	
Opening gross carrying amount at at April 1, 2018	34
Additions	8
Disposals	(8)
Closing gross carrying amount	**34**
Accumulated amortization and impairment	
Opening accumulated amortization	32
Amortization charge for the year	9
Disposals	(7)
Closing accumulated amortization	**34**
Closing net carrying amount	**0**

Year Ended 31 March 2020	Other Intangible Assets
	Software-External
	INR
Gross carrying amount	
Opening gross carrying amount at at April 1, 2019	34
Additions	9
Disposals	-
Closing gross carrying amount	**43**
Accumulated amortization and impairment	
Opening accumulated amortization	34
Amortization charge for the year	9
Disposals	-
Transfers	-
Closing accumulated amortization	**43**
Closing net carrying amount #	**0**

0 represents amount is below the rounding off norm adopted by the Company.

5 **Financial Assets**

(All amounts in Rs.Mn, unless otherwise stated)

5 (i)

Current investments	As on 31 March 2020		As on 31 March 31 2019	
	Units	Value	Units	Value
Investment in Mutual Funds				
Birla Sun Life Short Term Fund- Growth- Regular Plan	-	-	817,617	59
HDFC Short Term Opportunities Fund - Regular Plan - Growth	-	-	6,023,496	124
HDFC Liquid Fund - Direct Plan - Growth	-	-	5,574	20
ICICI Prudential Banking and PSU Debt Fund - Growth	-	-	2,304,935	49
ICICI Prudential Liquid plan - Direct Growth	68,631	20	107,855	30
ICICI Prudential Liquid plan - Direct DP Growth	-	-	37,774	10
ICICI Prudential - Equity Arbitrage Fund - Dividend	-	-	2,649,386	36
IDFC Corporate Bond Fund - Regular Plan - Growth	-	-	3,647,804	46
IDFC Cash Fund - Regular Plan - Growth	-	-	13,143	30
IDFC Cash Fund - Regular Plan - Growth - Direct	-	-	6,902	16
IDFC Arbitrage Fund - Monthly Dividend	-	-	1,268,034	16
Kotak Arbitrage Fund - Monthly Dividend	-	-	644,209	17
Reliance Arbitrage Fund - Monthly Dividend	-	-	767,735	15
Total Current Investments		**20**		**468**

Aggregate amount of quoted investments and market value thereof	20	468
Aggregate book value of quoted investments	20	422
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value of investment	-	-

5 (ii)

Other Financial Assets	31 March 2020		31 March 2019	
	Current	Non- Current	Current	Non- Current
Security deposits				
-Considered Good	-	18	-	22
-Considered doubtful	-	-	-	-
	-	18	-	22
Less : Provision for doubtful security deposits	-	-	-	-
Net Security Deposits	-	18	-	22
Long term deposits with bank with maturity period more than 12 months - [Refer Note (a) below]	-	38	28	21
Total other financial assets	**-**	**56**	**28**	**43**

(a) Held as margin money by bank against bank guarantees as at 31st March, 2020 - Rs.3Mn (31st March, 2019 - Rs.19Mn)

5 (iii)

Trade receivables	31 March 2020		31 March 2019	
	Current	Non- Current	Current	Non- Current
Trade receivables	22	-	30	-
Receivables from related parties [Refer Note 25]	82	-	49	-
Less: Allowance for doubtful debts	-	-	-	-
Total receivables	**104**	**-**	**79**	**-**
Current Portion	104	-	79	-
Non-Current Portion	-	-	-	-
Break-up of security details				
Trade receivables considered good - Secured	-	-	-	-
Trade receivables considered good - Unsecured	104	-	79	-
Total	104	-	79	-
Allowance for doubtful debts	-	-	-	-
Total trade receivables	**104**	**-**	**79**	**-**

5 (iv)

Cash and cash equivalents	31 March 2020	31 March 2019
Balances with Banks		
- in Current Accounts	22	28
- in Remittance -in-transit	-	-
Total cash and cash equivalents	**22**	**28**

5 (v)

Bank Balances other than (iv) above	31 March 2020	31 March 2019
Deposits with maturity more than 3 months but less than 12 months [Refer Note (a) below]	541	-
Total Bank Balances other than (iv) above	**541**	**-**

(a) Held as margin money by bank against bank guarantees as at 31st March, 2020 - Rs.18Mn (31st March, 2019 - Rs.NIL)

(All amounts in Rs.Mn, unless otherwise stated)

6

Deferred tax assets (Net)	31 March 2020	31 March 2019
The balance comprise temporary differences attributable to:		
Provisions	4	2
Defined benefit obligations	3	5
Tax impact of difference between carrying amount of PPE in the financial statements and as per the income tax calculation.	6	7
Other items Ind AS	16	-
Gross deferred tax assets (A)	**29**	**14**
Deferred tax liabilities on fair value gain on mutual funds	-	(13)
Gross deferred tax liabilities (B)	-	**(13)**
Net Deferred tax assets (A-B)	**29**	**1**

Movement in deferred tax assets

	Fixed Assets	Employee Benefits	Provisions	Other Items Ind AS	Total
At 1 April 2018	7	7	4	(6)	12
(charged)/credited:					
- to profit or loss	0	(2)	(2)	(7)	(11)
At 31 March 2019	**7**	**5**	**2**	**(13)**	**1**
Transition of Ind AS 116	-	-	-	16	16
(charged)/credited:					
- to profit or loss	(1)	(2)	2	13	12
Acquisition of Subsidiary					
At 31 March 2020	**6**	**3**	**4**	**16**	**29**

7

Other non current assets	31 March 2020	31 March 2019
Prepayments #	-	2
Deferred Contract cost	1	-
Total other non-current assets #	**1**	**2**

8

Current tax assets	31 March 2020	31 March 2019
Advance Income Tax	202	164
Less: Provision for income tax	157	132
Less: Tax expense for the year	46	27
Total current tax assets	**0**	**5**

9

Other current assets	31 March 2020	31 March 2019
Prepayments	9	8
Deferred Contract cost	2	-
Service Tax - Input Credit	5	5
Goods and Service Tax - Input Credit	75	53
Other loans and advances	2	3
Total other current assets	**93**	**69**

(All amounts in Rs.Mn, unless otherwise stated)

10 Share Capital

Authorized equity share capital

	Number of shares	Amount
As at April 01, 2018	50,000,000	500
Increase during the year	-	-
As at March 31, 2019	**50,000,000**	**500**
Increase during the year	-	-
As at March 31, 2020	**50,000,000**	**500**

(i) Movements in equity share capital

	Number of shares	Amount
As at April 01, 2018	50,000,000	500
Increase during the year	-	-
As at March 31, 2019	**50,000,000**	**500**
Increase during the year	-	-
As at March 31, 2020	**50,000,000**	**500**

(ii) Terms and rights attached to equity shares

Equity Shares: The Company has one class of equity shares having a par value of Rs.10 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.

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

Name of Shareholder	Equity Shares			
	31 March 2020		31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
NIIT Technologies Limited	50,000,000	100.00%	50,000,000	100.00%

	31 March 2020	31 March 2019
11 **Reserves and Surplus**		
Retained earnings	265	182
Total reserve and surplus	**265**	**182**

(i) Retained Earnings

	31 March 2020	31 March 2019
Opening balance	182	101
Net profit for the period	133	80
Add: Remeasurement gains on defined benefit plans	2	1
Less: Appropriations with Effect of adoption of Ind AS 116 Leases	(52)	-
Closing balance	**265**	**182**

(All amounts in Rs.Mn, unless otherwise stated)

12 Financial liabilities

(i) Borrowings

	31 March 2020		31 March 2019	
	Current	Non-Current	Current	Non-Current
Secured Loans				
Term loans				
From Bank #	-	-	0	-
From Financial Institutions	1	0	1	2
Total Borrowings	**1**	**0**	**1**	**2**

\# 0 represents amount is below the rounding off norm adopted by the Company.

(a) Term loans from Financial Institution are secured by way of hypothecation of the vehicles financed. The loan amounts along with interest are payable over the period of 3 to 5 years (equal monthly instalments) from the date of sanction of loan. The interest rate on above loans are within the range of 9.14% to 10.98%.

(b) The carrying amount of assets pledged as security for current and non-current borrowings are disclosed in Note 3.

(ii) Other financial liabilities

	31 March 2020		31 March 2019
Non- Current			
Lease liability	191		-
Total other non-current financial liabilities	**191**		-
Current			
Lease liability	48		-
Total other current financial liabilities	**48**		-

(iii) Trade Payables

	31 March 2020		31 March 2019
Current			
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises #	0		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	24		18
Trade Payables to related parties	3		1
Total trade payables	**27**		**19**

\# 0 represents amount is below the rounding off norm adopted by the Company.

There are no overdue amount outstanding on Micro Enterprises & Small Enterprises as on Mar 31, 2020. There is no interets due or outstanding on the same. This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

13 Other current liabilities

	31 March 2020		31 March 2019
Employee benefits payable	7		11
Statutory dues including provident fund and Tax Deducted at Source	15		14
Total other current liabilities	**23**		**25**

14 **Provisions**

(All amounts in Rs.Mn, unless otherwise stated)

	31 March 2020			31 March 2019		
	Current	Non Current	Total	Current	Non Current	Total
Leave Obligations (i)	1	5	6	2	9	11
Gratuity (ii)	-	5	5	-	8	8
	1	**10**	**11**	**2**	**17**	**19**

(i) *Leave Obligations*

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. 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.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as long term employee benefits. The Company's liability is actuarially determined (using projected unit credit method) at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

	31 March 2020	31 March 2019
Current leave obligations expected to be settled within next 12 months	1	2

(ii) *Gratuity*

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 recognized funds in India.

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
1 April 2018	**11**	**5**	**6**
Current Service Cost	2	-	2
Interest expense/ (income) #	1	0	0
Total amount recognized in profit or loss	**3**	**0**	**3**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income) #	-	0	(0)
(Gain)/loss from change indemographic assumptions			-
(Gain)/loss from change in financial assumptions #	(0)	-	(0)
Experience (gains)/losses #	(1)	-	(1)
Total amount recognized in other comprehensive income #	**(1)**	**0**	**(1)**
Employer's Contributions #	-	0	(0)
Benefit payments	(1)	(1)	-
31 March 2019	**12**	**4**	**8**
1 April 2019	**12**	**4**	**8**
Current Service Cost	2	-	2
Interest expense/ (income) #	1	0	1
Total amount recognized in profit or loss #	**3**	**0**	**3**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income) #	-	(0)	0
(Gain)/loss from change indemographic assumptions #	(0)	-	(0)
(Gain)/loss from change in financial assumptions #	(1)	-	(1)
Experience (gains)/losses	(2)	-	(2)
Total amount recognized in other comprehensive income #	**(3)**	**(0)**	**(3)**
Employer's Contributions	-	3	(3)
Benefit payments	(1)	(1)	-
31 March 2020	**11**	**6**	**5**

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

	31 March 2020	31 March 2019
Present value of funded obligations	11	12
Fair value of plan assets	(6)	(4)
Surplus/ (Deficit) of funded plan	**5**	**8**

0 represents amount is below the rounding off norm adopted by the Company.

(iii) *Post employment benefits (Gratuity)* (All amounts in Rs.Mn, unless otherwise stated)

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	31 March 2020	31 March 2019
Discount rate	6.67% p.a.	7.45% p.a.
Salary growth rate	0% for first year, 7% for next 3 years, and 5% thereafter	7% for first 3 years and 6% thereafter
Life expectancy	10.68 Years	10.56 Years
Expected rate of return on plan assets	6.67% p.a.	7.45% p.a.

(iv) *Sensitivity analysis*

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumption		Decrease in assumption	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Discount rate	50 Basis Points	50 Basis Points	10	11	11	12
Salary growth rate	50 Basis Points	50 Basis Points	11	13	10	11

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) The major categories of plan assets are as follows:

	31 March 2020			31 March 2019		
	Unquoted	Total	in %	Unquoted	Total	in %
Insurance Company Products	6	6	100%	4	4	100%

Risk Exposure

Through its defined benefit plans, the group is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment, regulatory changes etc.

The Company ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the Company's asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

(vi) Maturity profile of defined benefit obligations:

The expected maturity analysis of defined benefit obligations:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
31 March 2020	1	1	3	8	**13**
31 March 2019	1	1	4	8	**14**

(vii) *Defined contribution plans*

The Company makes contribution towards Superannuation Fund, Pension Fund and Employee State Insurance Fund being defined contribution plans for eligible employees. The Company has charged the following amount in the Statement of Profit and Loss:

Amount recognized in the Statement of Profit and Loss	31 March 2020	31 March 2019
Superannuation fund paid to the Trust #	0	0
Employees state insurance fund paid to the authorities	2	3
Pension fund paid to the authorities	7	4
	9	**7**

0 represents amount is below the rounding off norm adopted by the Company.

(viii) Defined benefit plans

Employees Provident Fund contributions are made to a Trust administered by the Company. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of the year. Actuarial losses/ gains are recognized in the Statement of Profit and Loss in the year in which they arise. The contributions made to the trust are recognized as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

The Company contributed Rs. 5Mn (31 March 2019 Rs.3Mn) during the year to the Trust, which has been charged to Statement of Profit and Loss.

(All amounts in Rs.Mn, unless otherwise stated)

		31 March 2020	31 March 2019
15	**Revenue from operations**		
	Sale of services	624	625
	Total revenue from continuing operations	**624**	**625**

	Timing of revenue recognition		
	Services transferred over time	624	625
	Total revenue from contracts with customers	**624**	**625**

16	**Other income**		
	Dividend Income from Mutual Fund investments	4	2
	Interest income from financial assets at amortized cost	8	9
	Income on Financial investments at Fair value through Profit and Loss:		
	Mutual Fund	30	26
	Gain on exchange fluctuations (net)	4	-
	Miscellaneous income	7	2
	Total other income	**53**	**39**

17	**Employee benefits expense**		
	Salaries, wages and bonus	272	260
	Contribution to provident and other funds	15	10
	Employee share based payment expense (Refer Note 28)	-	(1)
	Gratuity (Refer Note 14)	3	3
	Leave compensation	(4)	(2)
	Staff welfare and recruitment expenses	9	11
	Total employee benefit expense	**295**	**281**

18	**Depreciation and amortization expense**		
	Depreciation of property, plant and equipment [Refer Note 3]	8	11
	Depreciation of right of use assets [Refer note - 31]	44	-
	Amortization of intangible assets [Refer Note 4]	10	9
	Total depreciation and amortization expense	**62**	**20**

19	**Other expenses**		
	Rental charges (Refer Note 27)	0	62
	Rates and taxes #	0	1
	Electricity and water charges	10	13
	Telephone and communication charges	6	8
	Legal and professional fees	14	21
	Travelling and conveyance	47	67
	Recruitment expenses	-	-
	Insurance premium	2	2
	Repairs and maintenance		
	Plant and machinery	6	6
	Others	14	17
	Loss on exchange fluctuations (net)	-	(0)
	Payment to auditors [Refer note 19(a) below]	1	1
	Advertisement and publicity #	0	1
	Business promotion #	1	0
	Other production expenses	10	27
	Security and administration charges	13	13
	Loss on sales of tangible / intangible assets (net) #	(0)	0
	Corporate Social Responsibility expenditure [Refer note 19 (b) below]	2	2
	Miscellaneous expenses	2	1
	Total other expenses	**127**	**242**

0 represents amount is below the rounding off norm adopted by the Company.

(All amounts in Rs.Mn, unless otherwise stated)

		31 March 2020	31 March 2019
19 (a)	**Details of payments to auditors**		
	Payments to auditors (excluding tax)		
	As auditor:		
	Audit Fee	1	1
	Tax audit Fee #	0	0
	In other capacities:		
	Re-imbursement of expenses #	0	0
	Total payments to auditors	**1**	**1**

0 represents amount is below the rounding off norm adopted by the Company.

19 (b)	**Corporate social responsibility expenditure**		
	Contribution to NIIT Institite of Information Technology	2	2
	Contribution to Government Schools / Others #	-	0
	Total	**2**	**2**
	Amount required to be spent as per Section 135 of the Act	2	2
	Amount spent during the year on:		
	(i) Construction/ acquisition of an asset	-	-
	(ii) On purpose other than (i) above	2	2

20	**Finance costs**		
	Interest and finance charges on financial liabilities not at fair value through profit or loss:		
	on term loans from Bank / Financial Institution #	0	0
	Bank and financial charges #	0	1
	Unwinding of discounts on Security Deposits	-	2
	Finance costs on Lease Rent	26	-
	Finance costs expensed in profit or loss	**26**	**3**

0 represents amount is below the rounding off norm adopted by the Company.

21 **Income tax expense**

This note provides an analysis of the company's income tax expense, show amounts that are recognized directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

	31 March 2020	31 March 2019
(a) Income tax expense		
Current tax		
Current tax on operating profits of the year	46	27
Adjustments for current tax of prior periods	-	-
Total current tax expense	**46**	**27**
Deferred tax		
(Decrease)/ increase in deferred tax liabilities	(12)	11
Total deferred tax expense/(benefit)	**(12)**	**11**
Income tax expense	**35**	**38**

Note: Refer Note 6 for Deferred tax movement

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit from continuing operations before income tax expense	167	118
Profit from other comprehensive income before income tax expense		
Profit from discontinuing operation before income tax expense		
Tax at the Indian tax rate of 25.168% (27.82% in March 2019)	**42**	**33**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donations to the extent disallowable #	0	1
Disallowance of expenses related to exempted income - u/s 14A #	0	0
Dividend Income exempted u/s 10	(1)	-
Profit on Sale of Assets #	(0)	-
Disallowance of Interest on Income Tax #	0	
Adjustments on taxes for prior periods (FY 18-19) #	0	2
Changes in tax rates (Capital Gain on MF)	(0)	2
Income tax expense	**41**	**38**

0 represents amount is below the rounding off norm adopted by the Company.

(All amounts in Rs.Mn, unless otherwise stated)

22 Fair value measurements

Financial instruments by category:

	31 March 2020			31 March 2019		
	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost
Financial assets						
Investments in Mutual funds	20	-	-	468	-	
Trade and other receivables	-	-	104	-	-	79
Cash and cash equivalents	-	-	22	-	-	28
Long term deposits with bank with maturity period more than 12 months	-	-	38	-	-	49
Security deposits	-	-	18	-	-	22
Total Financial assets	**20**	-	**182**	**468**	-	**178**
Financial liabilities						
Borrowings	-	-	2	-	-	3
Trade and other payables	-	-	27	-	-	19
Total Financial liabilities	-	-	**29**	-	-	**22**

The carrying amounts of trade receivables, trade payables, long term deposits with banks, cash and cash equivalents and security deposits are considered to be the same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
The fair values for security deposits were calculated based on cash flows discounted using a current lending rate.

(i) 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.
An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL-Mutual Funds	20	-	-	20
Total financial assets	**20**	-	-	**20**

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL-Mutual Funds	468	-	-	468
Total financial assets	**468**	-	-	**468**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing net asset value.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

The company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(All amounts in Rs.Mn, unless otherwise stated)

23 Financial risk management

The Company's principal financial liabilities, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company also hold investments measured at fair value through profit or loss (FVTPL)

.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. 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. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) *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 loans and borrowings, deposits, investments measured at FVTPL and derivative financial instruments.

- **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 significant borrowings on the financial statements. Hence, there is no significant concentration of interest rate risk.

- **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 Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

In calculating expected credit loss, the Group has also taken into account estimates of possible effect from the pandemic relating to COVID -19. Based on the current assessment and on a consolidated level perspective, the transactions are not considered material and the management has not considered to hedge its foreign currency transacations.

(ii) Credit Risk

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 from its financing activities, including deposits with bank and financial institutions, foreign exchange transactions and other financial instruments.

Trade Receivables

The customers of the company are primarily corporations based in the United States of America and Europe and accordingly, trade receivables are concentrated in the respective countries. The Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivables. In calculating expected credit loss, the Group has also taken into account estimates of possible effect from the pandemic relating to COVID -19. Based on the current assessment, there is no need for provision for trade receivables.

Financial instruments and cash deposits

Credit risk on cash and cash equivalents is limited as the management generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid, short term, and arbitrage mutual fund units and certificates of deposit which are funds deposited at a bank for a specified time period.

(iii) Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding borrowings except term loans. The term loans are secured against hypothecation of the vehicles (refer note 12). However, 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 provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Borrowings	1	(0)	(0)	-	1
Trade Payables	27	-	-	-	27
	28	**(0)**	**(0)**	**-**	**28**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Borrowings #	1	1	(0)	-	2
Trade Payables	19	-	-	-	19
	20	**1**	**(0)**	**-**	**21**

0 represents amount is below the rounding off norm adopted by the Company.

24 Capital Management

a) 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 except term loans. The term loans are secured against hypothecation of the vehicles (refer note 12). The Company has complied with the financial covenants attached with above stated borrowings throughout the reporting period.

b) Dividends

	31-Mar-20	31-Mar-19
(i) Equity Shares Final dividend paid for the year ended 31 March 2020 of Rs. NIL (31 March 2019 - Rs.NIL) per share	-	-
(ii) Dividends not recognised at the end of reporting period In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. NIL per fully paid up equity share (31 March 2019 - Rs. NIL).	-	-

25 **Related Party Disclosure**

A **Name of related parties and description of relationship**

1 **Key Managerial Personnel**
Rajendra S Pawar, Director (resigned during the year)
Arvind Thakur, Chairman and Managing Director (resigned during the year)
Sudhir Singh, Director
Sreekant Lapala, Director (appointed initially then resigned during the year)
Hari Gopalakrishnan, Director (appointed initially then resigned during the year)
Vamsi Krishna Rupakula, Managing Director (appointed initially the resigned during the
Sanjeev Prasad, Director (appointed during the year)
Ajay Kalra, Managing Director (appointed during the year)
Natarajan Meenakshi Sundaram, Chief Financial Officer (appointed during the year)
Anil Narang, Chief Financial Officer (resigned during the year)
Barkha Sharma, Company Secretary

2 **Holding Company**
NIIT Technologies Limited

3 **Fellow Subsidiaries**
ESRI India Technologies Limited (Ceased to be a fellow subsidiary company during the year- May 13, 2019)
NIIT Incessant Private Limited (Formerly known Incessant Technologies Private Limited)
NIIT Technologies Services Limited
NIIT Technologies Limited, UK
NIIT Technologies Pte Limited, Singapore
NIIT Technologies Inc., USA
NIIT Technologies GmbH, Germany
NIIT Technologies BV, Netherlands
NIIT Technologies Ltd, Thailand
NIIT Technologies Pty Ltd, Australia
NIIT Insurance Technologies Limited, U.K.
NIIT Airline Technologies GmbH, Germany
NIIT Technologies FZ LLC, Dubai
NIIT Technologies SA, Spain
NIIT Technologies Philippines Inc., Phillipines (under liquidation)
Incessant Technologies. Ltd.,UK
Incessant Technologies Ltd., Ireland
Incessant Technologies Pty Ltd., Australia
Incessant Technologies NA Inc., USA
RuleTek LLC, USA
Whishworks IT Consulting Private Limited (Became a fellow Subsidiary during the year on June 14, 2019)
Whishworks Limited, UK (Became a fellow Subsidiary during the year on June 14, 2019)
Whishworks Pty Limited, Australia (Became a fellow Subsidiary during the year on June 14, 2019)
NIIT Technologies Spólka Z Ograniczona Odpowiedzialnoscia (Wholly owned by NIIT Technologies Limited, UK, Consolidated w.e.f., January 01, 2020)

4 **Parties of whom the Company is an associate and their subsidiaries:**
NIIT Limited , India (Through its subsidiary Evolve Services Limited , India) *
NIIT USA Inc., USA *
NIIT Institute of Finance Banking and Insurance Training Limited *
*Ceased to be Associate Company w.e.f. May 17, 2019

5 **Parties in which the Key Managerial Personnel of the Company are interested:**
NIIT Incessant Private Limited
Whishworks IT Consulting Private Limited
NIIT Technologies Services Limited

B **List of other related parties:**

Particulars	**Country**	**Nature of relationship**
NIIT Technologies Limited Employees Provident Fund Trust	India	Post-employment benefit plan
NIIT Technologies Limited Employees Group Gratuity Scheme	India	Post-employment benefit plan
NIIT Technologies Superannuation Scheme	India	Post-employment benefit plan

Refer to Note 14 for information and transactions with post-employment benefit plans mentioned above.

(All amounts in Rs.Mn, unless otherwise stated)

C Details of transaction with related parties.

Nature of Transaction	Holding Company and Fellow Subsidiaries	Parties of whom the company is an associate	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Rendering of Services	489	-		-	489
	(504)	-	-	(5)	(509)
Receiving of Services	9			-	9
	(11)	-	-	-	(11)
Transfer of Expenses from #	1			0	1
	(10)	-	-	(0)	(10)
Transfer of Expenses to	24				24
	(28)	-	-	-	(28)
Sale of Fixed Assets #	1				1
	-	-	-	-	-
Corporate Social Responsibility	-	-	-	2	2
	-	-	-	(2)	(2)
Total	**524**	-	-	**2**	**526**
	(553)	-	-	**(7)**	**(560)**

Figures in parenthesis represent Previous Year's figure.
0 represents amount is below the rounding off norm adopted by the Company.

D **Details of balances with related parties**

	Receivables as at March 31, 2020	Payables as at March 31, 2020	Receivables as at March 31, 2019	Payables as at March 31, 2019
Holding Company and Fellow Subsidiaries				
Amount receivable / payable	82	3	49	1
Parties of whom the Company is an associate	-	-	-	-
Key Managerial Personnel	-	-	-	-
Parties in which Key Managerial Personnel are interested #	-	-	-	0

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

0 represents amount is below the rounding off norm adopted by the Company.

E **Terms and Conditions**

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders.

Transactions with related parties during the year were based on terms that would be available to third parties. All other transactions were made on normal commercial terms and conditions and at market rates.

All other transactions were made on normal commercial terms and conditions and at market rates in respect of impaired receivables due from related parties.

All outstanding balances are unsecured and are repayable in cash.

(All amounts in Rs.Mn, unless otherwise stated)

26 Contingent liabilities and contingent assets

(a) Contingent liabilities

The company had contingent liabilities in respect of:

	31 March 2020	31 March 2019
Income tax matters pending disposal by the tax authorites	7	7

(i) Demand for the Financial Year 2004-05 of Rs.7 Mn pertains to treatment of revenue expenditure related to business development and marketing expenses as Capital expenses. The case was decided in favour of the Company by CIT(A) and is pending before the Hon'ble Income Tax Appellate Tribunal (ITAT), Delhi.

(ii) The Company is contesting the demand and the management including the tax advisors believe that its position will more likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(b) Contingent assets

The company does not have any contingent assets as at 31st March 2020 and 31st March 2019.

27 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	31 March 2020	31 March 2019
Property, plant and equipment *	4	4
Intangible assets	-	-

* Amount of estimated value of contracts in capital account remaining to be executed are net of capital advance of Rs.NIL (31 March 2019: Rs. NIL)

28 Share-based stock payments

(a) Expenses arising from share based payment transactions

Certain employees of the Company are entitled to stock options granted by NIIT Technologies Limited (the Company's parent company) under the NIIT Technologies Employees Stock Option Plan 2005, in relation to services received by the Company. The Company accrues for the cost of employees stock option determined under the fair value method over the vesting period of the option, which is reimbursed to the parent company. During the year ended on March 31, 2020 Rs.NIL (March 31, 2019: Rs.(1)Mn) was charged to NIIT SmartServe Limited by the parent company and accordingly, the expenses towards ESOP for current year is Rs.NIL (March 31, 2019: Rs.(1) Mn).

29 Earnings per Share

	31 March 2020	31 March 2019
(a) *Basic earnings per equity share of Rs 10 each*		
Attributable to the equity holders of the Company (Rs. Per share)	2.66	1.61
(b) *Diluted earnings per equity share of Rs 10 each*		
Attributable to the equity holders of the Company (Rs. Per share)	2.66	1.61
(c) *Reconciliations of earnings used in calculating earnings per share*		
Basic earnings per share		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share:	133	80
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	133	80
(d) *Weighted average number of shares used as the denominator*		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	50,000,000	50,000,000

The company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive EPS of the company remains the same.

30 **Disclosures related to revenue from contract with customers**

Disaggregate revenue information

The table below presents disaggregated revenues from contracts with customers by geography.

Geography	Amount
Americas	436
India	37
Asia Pacific	-
Europe, Middle East and Africa	151
Grand Total	**624**

Refer note 15 for disclosure on revenue from contract with customers

Performance obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in IndAS115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis, fixed monthly / fixed capacity basis and transaction basis. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, and adjustment for revenue that has not materialized and adjustments for currency.

The aggregate value of performance obligations that are completely or partially unsatisfied as of March 31, 2020, other than those meeting the exclusion criteria mentioned above, is Rs.NIL. Out of this, the Company expects to recognize revenue of around Rs. NIL within the next one year and the remaining thereafter. This includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

31 **Leases**

The Company has adopted Ind AS 116 "Leases" from April 01, 2019, which resulted in changes in accounting policies in the financial statements.

Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right to use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Financial Statements for year ended March 31, 2019

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 221 Mn and a lease liability of Rs. 280 Mn. The cumulative effect of applying the standard resulted in Rs. 52 Mn being debited to retained earnings, net of taxes of Rs. 16 Mn. The effect of this adoption is insignificant on the profit for the year and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applying a single discount rate to a portfolio of leases with reasonably similar characteristics
2. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
3. Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
4. The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 disclosed of the 2019 Financial Statements for the year ended on March 31, 2019 and the value of the lease liability as of April 1, 2019 is primarily on account of inclusion of extension and termination options reasonably certain to be exercised, in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10.2%.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020:

Particulars	Buildings
Balance as of April 1, 2019	221
Additions	-
Deletions	-
Depreciation	(44)
Balance as of March 31, 2020	**177**

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020
Balance at the beginning	280
Additions	-
Deletions	-
Finance cost accrued during the period	26
Payment of lease liabilities	(68)
Balance at the end	**238**

The following is the break-up of current and non-current lease liabilities as of March 31, 2020

Particulars	Amount
Current lease liabilities	48
Non-current lease liabilities	191
Total	**238**

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2020 on an undiscounted basis:

Particulars	Amount
Less than one year	68
One to five years	221
More than five years	-
Total	**289**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the consolidated Statement of Profit and Loss.

32 **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.

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

Particulars	As at 1st April 2019	Cash Flow during the year			Finance Charges Accrued	Dividend Accrued	As at 31st March 2020
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	3	-	(2)	(2)	-	-	2
Dividend Payable (including Corporate Dividend Tax)	-	-	-	-	-	-	-
Interest on borrowings #	-	-	(0)	(0)	-	-	-
	3	-	**(2)**	**(2)**	-	-	**2**

Particulars	As at 1st April 2018	Cash Flow during the year			Finance Charges Accrued	Dividend Accrued	As at 31st March 2019
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	4	-	(1)	(1)	-	-	3
Dividend Payable (including Corporate Dividend Tax)	-	-	-	-	-	-	-
Interest on borrowings	-	-	(1)	(1)	-	-	-
	4	-	**(2)**	**(2)**	-	-	**3**

0 represents amount is below the rounding off norm adopted by the Company.

34 Previous year figures have been reclassified to conform to current year's classification.

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

Sanjeev Prasad
Director
DIN 07490849

Ajay Kalra
Managing Director
DIN 03157214

Yogender Seth
Partner
Membership No.094524
UDIN: 20094524AAAAAV7848
Place : Gurugram
Date : 03rd May, 2020

Natarajan M
Chief Financial Officer

Barkha Sharma
Company Secretary

Place : Gurugram
Date : 03rd May, 2020