

**Coforge SmartServe Limited (erstwhile NIT SmartServe Limited)**  
**(CIN: U72900DL2002PLC114946)**  
**Balance Sheet**

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

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	32	23
Other intangible assets	4	1	0
Right-of-use assets	30	130	177
Financial assets			
Investments	5(i)	536	-
Other financial assets	5(ii)	42	56
Deferred tax assets (net)	6	28	29
Other non-current assets	7	1	1
<b>Total non-current assets</b>		<b>770</b>	<b>286</b>
<b>Current assets</b>			
Financial assets			
(i) Investments	5(i)	-	20
(ii) Trade receivables	5(iii)	182	104
(iii) Cash and cash equivalents	5(iv)	27	22
(iv) Bank balances other than (iii) above	5(v)	76	541
Current tax assets (Net)	8	-	0
Other current assets	9	107	93
<b>Total current assets</b>		<b>392</b>	<b>780</b>
<b>TOTAL ASSETS</b>		<b>1,162</b>	<b>1,066</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	500	500
<b>Other equity</b>			
Reserves and surplus	11	389	265
<b>Total equity</b>		<b>889</b>	<b>765</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities			
(i) Borrowings	12(i)	0	0
(ii) Other financial liabilities	12(ii)	131	191
Provisions	14	8	10
<b>Total non-current liabilities</b>		<b>139</b>	<b>201</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Borrowings	12(i)	0	1
(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	12(iii)	1	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	12(iii)	39	27
(iii) Other financial liabilities	12(ii)	61	48
Current tax liabilities (Net)	8	11	-
Provisions	14	0	1
Other current liabilities	13	22	23
<b>Total current liabilities</b>		<b>134</b>	<b>100</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,162</b>	<b>1,066</b>


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

The accompanying notes are integral part of financial statement.

As per our report of even date.

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

Vincent Kedia  
Partner  
Membership No.212230  
UDIN: 21212230AAAABJ2330  
Place : Mumbai  
Date : May 03, 2021

  
**Sanjeev Prasad**  
Director  
Place : Gurugram  
Date : May 03, 2021

  
**Ashish Arora**  
Chief Financial Officer

Place : Delhi  
Date : May 03, 2021

  
**Ajay Kalra**

Managing Director  
Place : Gurugram  
Date : May 03, 2021

  
**Barkha Sharma**  
Company Secretary

Place : Ghaziabad  
Date : May 03, 2021



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

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

Particulars	Notes	Year ended	Year ended
		March 31, 2021	March 31, 2020
Revenue from operations	15	579	624
Other income	16	18	53
<b>Total income</b>		<b>597</b>	<b>677</b>
<b>Expenses</b>			
Employee benefit expense	17	231	295
Depreciation and amortization expense	18	61	62
Other expenses	19	116	127
Finance costs	20	22	26
<b>Total expenses</b>		<b>430</b>	<b>510</b>
<b>Profit before tax</b>		<b>167</b>	<b>167</b>
Income Tax expense:			
Current tax	21	42	46
Deferred tax	21	1	(12)
<b>Total tax expense</b>		<b>43</b>	<b>34</b>
<b>Profit for the year</b>		<b>124</b>	<b>133</b>
<b>Other comprehensive (loss)/income</b>			
Items that will be not be reclassified to Profit or Loss:			
Remeasurement of post - employment benefit obligations		(o)	3
Income tax relating to these items		o	(1)
<b>Other comprehensive (loss)/ income for the year, net of tax</b>		<b>(o)</b>	<b>2</b>
<b>Total comprehensive income for the year</b>		<b>124</b>	<b>135</b>

Earnings per equity share (of Rs.10 each) for profit from operations attributable to owners of Coforge SmartServe Limited:

Basic earnings per share	28	2.49	2.66
Diluted earnings per share	28	2.49	2.66

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Director  
Place : Gurugram  
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Date : May 03, 2021

**Vineet Kedia**  
Partner  
Membership No.212230  
UDIN: 21212230AAAABJ2330  
Place : Mumbai  
Date : May 03, 2021

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

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

a. **Equity Share Capital**

Particulars	Number	Amount
<b>As at April 01, 2019</b>	<b>50,000,000</b>	<b>500</b>
Changes in equity share capital	-	-
<b>As at March 31, 2020</b>	<b>50,000,000</b>	<b>500</b>
Changes in equity share capital	-	-
<b>As at March 31, 2021</b>	<b>50,000,000</b>	<b>500</b>

b. **Other Equity**

Description	Reserves and Surplus	
	Retained Earnings	
<b>Balance at April 01, 2019</b>		<b>182</b>
Profit for the year		133
Other Comprehensive Income		2
Less: Appropriations with Effect of adoption of Ind AS 116		(52)
<b>Total Comprehensive Income for the year</b>		<b>265</b>
Dividend paid		-
Corporate dividend tax		-
<b>Balance at March 31, 2020</b>		<b>265</b>

Description	Reserves and Surplus	
	Retained Earnings	
<b>Balance at April 01, 2020</b>		<b>265</b>
Profit for the year		124
Other Comprehensive Loss		(0)
<b>Total Comprehensive Income for the year</b>		<b>124</b>
Dividend paid		-
Corporate dividend tax *		-
<b>Balance at March 31, 2021</b>		<b>389</b>

\*The Finance Act 2020 has repealed the Corporate Dividend Tax (CDT). The Company is now required to pay/distribute dividend after deducting applicable taxes

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**Coforge SmartServe Limited (erstwhile NIIT SmartServe Limited)**

(CIN: U72900DL2002PLC114946)

**Statement of Cash Flows**

(All amounts in Rs., unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax	167	167
<b>Adjustment for:</b>		
Depreciation and amortisation expenses	61	62
Loss on disposal of property, plant and equipment	-	-
Gain on sale of investments	(1)	(76)
Unrealized gain on fair valuation of current investments	0	47
Provision for Doubtful Debts	0	-
Dividend income from financial assets	-	(4)
Interest income from financial assets at amortised cost	(6)	(7)
Unwinding of discounts - Finance Income	(2)	(2)
Unwinding of discounts - Finance cost	22	26
Unrealized foreign exchange (gain)/ loss	4	(5)
Interest and Finance charges	0	0
<b>Changes in operating assets and liabilities:</b>	<b>246</b>	<b>208</b>
(Increase)/Decrease in trade receivables	(77)	(25)
(Increase)/Decrease in other financial assets	495	(508)
(Increase)/ Decrease in other assets	(17)	(23)
Increase/(Decrease) in trade payables	13	8
Increase/ (Decrease) in other current liabilities	(2)	(3)
Increase/(Decrease) in provisions	(2)	(8)
<b>Cash generated/ (used) from operations</b>	<b>656</b>	<b>(351)</b>
Income taxes paid	(34)	(60)
<b>Net cash inflow/ (outflow) from operating activities</b>	<b>622</b>	<b>(412)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment and intangibles	(40)	(17)
Proceeds from sale of property, plant and equipment	0	2
Payment for purchase of investment in mutual funds	-	(303)
Proceeds from sale of investments in mutual funds	20	781
Dividends received	-	4
Interest received	6	7
Payment for purchase of investments in fellow subsidiary	(536)	-
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(550)</b>	<b>474</b>
<b>Cash flow from financing activities (Refer note 32)</b>		
Repayment of borrowings	(1)	(1)
Finance lease payments	(65)	(68)
Interest paid	(0)	(0)
<b>Net cash (outflow) from financing activities</b>	<b>(66)</b>	<b>(69)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5</b>	<b>(7)</b>
Cash and cash equivalents at the beginning of the financial year	22	28
<b>Cash and cash equivalents at the end of the financial year</b>	<b>27</b>	<b>22</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>		
Cash and cash equivalents as per above comprise of the following [Note 5(iv)]		
Balances with Banks		
- in Current Accounts	27	22
- in Remittance -in-transit	-	-
<b>Balance as per statement of cash flows</b>	<b>27</b>	<b>22</b>

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Company Secretary

Place : Ghaziabad  
Date : May 03, 2021



## Background

Coforge 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 Coforge Limited India.

On August 17, 2020, the Shareholders of the Company have approved the proposed change in name of the Company from "NIIT Smartserve Limited" to "Coforge Smartserve Limited". The name of the Company has been changed from "NIIT Smartserve Limited" to "Coforge Smartserve Limited" w.e.f. September 09, 2020 vide certificate of incorporation pursuant to change of name issued by the Ministry of Corporate Affairs, Government of 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 Company has considered the possible effects that may result from COVID 19 on the carrying amount of receivables. 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. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

#### (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 multiplying 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 revenue). 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.

Section 115BAA has been inserted in the Income Tax Act, 1961 to give the benefit of a reduced corporate tax rate for the domestic companies, which states that domestic companies have the option to pay tax at a rate of 22% plus surcharge of 10% and cess of 4%. The effective tax rate being 25.168% from the FY 2019-20 onwards if such domestic companies adhere to certain conditions specified. The company opted for the option to pay tax under Section 115BAA.

(f) **Leases**

The Company has adopted Ind AS 116 "Leases" from April 01, 2019.

**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 non-financial 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 AS 103 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 116, 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 116

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, a 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 recognized 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, if any. 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. Capital work in progress is stated at cost, net of accumulated

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 peripherals	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 its 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:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- 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
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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 April 01, 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.





(d) **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.

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability

(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.

(iv) *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
- 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.

(v) *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.

**(f) 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) Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 01, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are

**Balance Sheet:**

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

**Statement of profit and loss:**

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

The Company will evaluate the same to give effect to them as required by law

**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 30

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 March 31, 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
<b>Gross carrying amount</b>							
Opening gross carrying amount as at April 01, 2019	19	2	(28)	0	2	8	4
Additions	7	-	0	-	-	-	7
Disposals	(4)	-	(0)	-	(0)	-	(4)
Transfer	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>22</b>	<b>2</b>	<b>(28)</b>	<b>0</b>	<b>2</b>	<b>8</b>	<b>7</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation	13	1	(38)	0	0	3	(21)
Depreciation charge during the year	5	0	2	0	0	1	8
Disposals	(3)	-	(0)	-	(0)	-	(3)
Transfer	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>14</b>	<b>1</b>	<b>(36)</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>(16)</b>
<b>Net carrying amount</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>23</b>
<b>Year ended March 31, 2021</b>							
<b>Gross carrying amount</b>							
Opening gross carrying amount as at April 01, 2020	22	2	(28)	0	2	8	7
Additions	15	0	0	-	-	1	16
Disposals	(5)	(0)	(0)	-	(1)	(1)	(7)
Transfer	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>32</b>	<b>2</b>	<b>(28)</b>	<b>0</b>	<b>1</b>	<b>9</b>	<b>16</b>
<b>Accumulated depreciation</b>							
Opening accumulated depreciation	14	1	(36)	0	0	4	(16)
Depreciation charge during the year	4	0	2	0	0	1	7
Disposals	(5)	(0)	(0)	-	(1)	(1)	(7)
Transfer	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>14</b>	<b>1</b>	<b>(35)</b>	<b>0</b>	<b>(0)</b>	<b>4</b>	<b>(16)</b>
<b>Net carrying amount</b>	<b>18</b>	<b>1</b>	<b>7</b>	<b>(0)</b>	<b>1</b>	<b>5</b>	<b>32</b>

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

\*Includes vehicles financed through loans Gross Block Rs.2 Mn (March 31, 2020 - Rs.8 Mn), Net block Rs.1 Mn (March 31, 2020 - Rs.4 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 March 31,2020	Other Intangible Assets
	Software-External INR
<b>Gross carrying amount</b>	
Opening gross carrying amount at at April 01, 2019	131
Additions	9
Disposals	-
<b>Closing gross carrying amount</b>	<b>141</b>
<b>Accumulated amortization and impairment</b>	
Opening accumulated amortization	131
Amortization charge for the year	9
Disposals	-
<b>Closing accumulated amortization</b>	<b>141</b>
<b>Closing net carrying amount</b>	<b>0</b>

Year Ended March 31, 2021	Other Intangible Assets
	Software-External INR
<b>Gross carrying amount</b>	
Opening gross carrying amount at at April 01, 2020	141
Additions	10
Disposals	(128)
<b>Closing gross carrying amount</b>	<b>23</b>
<b>Accumulated amortization and impairment</b>	
Opening accumulated amortization	141
Amortization charge for the year	10
Disposals	(128)
<b>Closing accumulated amortization</b>	<b>23</b>
<b>Closing net carrying amount</b>	<b>1</b>

'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) Non-current investments	March 31, 2021		March 31, 2020	
	Units	Value	Units	Value
Investments in equity instruments (fully paid) at Fair Value through OCI				
Unquoted				
43,180 shares (Previous Year: Nil) Common shares in Whishworks IT Consulting Private Limited (Refer note 25)		536		-
<b>Total equity instruments</b>		<b>536</b>		<b>-</b>

<b>Total Non- Current Investments</b>		<b>536</b>		<b>-</b>
Aggregate amount of unquoted investments		536		-
Aggregate amount of impairment in the value of investments		-		-

Coforge SmartServe Limited (erstwhile NIFT SmartServe Limited) (a WOS of Coforge Limited) and Coforge Limited (erstwhile NIFT Technologies Limited) signed an amendment agreement with promoters of Whishworks IT Consulting Private Limited in June 2020 for acquisition of second tranche shares of Whishworks, wherein 43,180 shares were acquired by Coforge SmartServe Limited equivalent to 18.52% of the total paid up capital of Whishworks in FY21. The balance 12,306 equity shares were acquired by Coforge Limited as per the said Amendment agreement.

Current investments	As on March 31, 2021		As on March 31, 2020	
	Units	Value	Units	Value
Investment in Mutual Funds				
ICICI Prudential Liquid plan - Direct Growth		-	68,631	20
<b>Total Current Investments</b>		<b>-</b>		<b>20</b>

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

5 (ii) Other Financial Assets	March 31, 2021		March 31, 2020	
	Current	Non- Current	Current	Non- Current
Security deposits				
-Considered Good	-	20	-	18
-Considered doubtful	-	-	-	-
Less : Provision for doubtful security deposits	-	20	-	18
Net Security Deposits	-	0	-	0
Long term deposits with bank with maturity period more than 12 months - [Refer Note (a) below]	-	22	-	38
<b>Total other financial assets</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>56</b>

(a) Held as margin money by bank against bank guarantees as at March 31, 2021 - Rs.21 mn (March 31, 2020 - Rs.3 mn)

5 (iii) Trade receivables	March 31, 2021		March 31, 2020	
	Current	Non- Current	Current	Non- Current
Trade receivables	19	-	22	-
Receivables from related parties [Refer Note 25]	163	-	82	-
Less: Allowance for doubtful debts [Refer Note 1(b)]	(9)	-	-	-
<b>Total receivables</b>	<b>182</b>	<b>-</b>	<b>104</b>	<b>-</b>
<b>Break-up of security details</b>				
Trade receivables considered good - Secured	-	-	-	-
Trade receivables considered good - Unsecured	182	-	104	-
Allowance for doubtful debts #	0	-	-	-
<b>Total trade receivables</b>	<b>182</b>	<b>-</b>	<b>104</b>	<b>-</b>

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

5 (iv) Cash and cash equivalents	March 31, 2021		March 31, 2020	
	Current	Non- Current	Current	Non- Current
Balances with Banks				
- in Current Accounts		27		23
- in Remittance -in-transit		-		-
<b>Total cash and cash equivalents</b>		<b>27</b>		<b>23</b>

5 (v) Bank Balances other than (iv) above	March 31, 2021		March 31, 2020	
	Current	Non- Current	Current	Non- Current
Deposits with maturity more than 3 months but less than 12 months [Refer Note (a) below]		76		541
<b>Total Bank Balances other than (iv) above</b>		<b>76</b>		<b>541</b>

(a) Held as margin money by bank against bank guarantees as at March 31, 2021 - Rs.Nil (March 31, 2020 - Rs.18 Mn)



6	Deferred tax assets (Net)	March 31, 2021	March 31, 2020
	The balance comprise temporary differences attributable to:		
	Provisions	3	4
	Deferred benefit obligations	2	3
	Tax impact of difference between carrying amount of fixed assets in the financial statements and as per the income tax calculation.	6	6
	Other items Ind AS	17	16
	Allowance for doubtful debts and advances	0	-
	<b>Gross deferred tax assets (A)</b>	<b>28</b>	<b>29</b>
	Deferred tax liabilities on fair value gain on mutual funds	-	-
	<b>Gross deferred tax liabilities (B)</b>	<b>-</b>	<b>-</b>
	<b>Net Deferred tax assets (A-B)</b>	<b>28</b>	<b>29</b>

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

**Movement in deferred tax assets**

	Fixed Assets	Employee Benefits	Provisions	Other Items Ind AS	Total
At April 01, 2019	7	5	2	(13)	1
Transition of Ind AS 116	-	-	-	16	16
(charged)/credited:					
- to profit or loss	(1)	(2)	2	13	12
<b>At March 31, 2020</b>	<b>6</b>	<b>3</b>	<b>4</b>	<b>16</b>	<b>29</b>
(charged)/credited:					
- to profit or loss	(0)	(1)	(1)	1	(1)
<b>At March 31, 2021</b>	<b>6</b>	<b>2</b>	<b>3</b>	<b>17</b>	<b>28</b>

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

7	Other non current assets	March 31, 2021	March 31, 2020
	Deferred Contract cost	1	1
	<b>Total other non-current assets</b>	<b>1</b>	<b>1</b>

8	Current tax assets	March 31, 2021	March 31, 2020
	Advance Income Tax	236	202
	Less: Provision for income tax	205	156
	Less: Tax expense for the year	42	46
	<b>Total current tax assets</b>	<b>(11)</b>	<b>0</b>

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

9	Other current assets	March 31, 2021	March 31, 2020
	Prepayments	7	9
	Deferred Contract cost	1	2
	Service Tax - Input Credit	5	5
	Goods and Service Tax - Input Credit	92	75
	Other loans and advances	2	2
	<b>Total other current assets</b>	<b>107</b>	<b>93</b>



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

10 Share Capital

Authorized equity share capital

	Number of shares	Amount
As at April 01, 2019	50,000,000	500
Increase during the year	-	-
As at March 31, 2020	50,000,000	500
Increase during the year	-	-
As at March 31, 2021	50,000,000	500

(i) Movements in equity share capital

	Number of shares	Amount
As at April 01, 2019	50,000,000	500
Increase during the year	-	-
As at March 31, 2020	50,000,000	500
Increase during the year	-	-
As at March 31, 2021	50,000,000	500

(ii) Terms and rights attached to 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 of Rs. 10 each fully paid			
	March 31, 2021		March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Coforge Limited, Holding company	50,000,000	100.00%	50,000,000	100.00%

11 Reserves and Surplus

	March 31, 2021	March 31, 2020
Retained earnings	389	265
<b>Total reserve and surplus</b>	<b>389</b>	<b>265</b>

(i) Retained Earnings

	March 31, 2021	March 31, 2020
Opening balance	265	182
Net profit for the period	124	133
Add: Remeasurement gains on defined benefit plans	(0)	2
Less: Appropriations with Effect of adoption of Ind AS 116 Leases	-	(52)
<b>Closing balance</b>	<b>389</b>	<b>265</b>

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



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

## 12 Financial liabilities

### (i) Borrowings

	March 31, 2021		March 31, 2020	
	Current	Non-Current	Current	Non-Current
<b>Secured Loans</b>				
<b>Term loans</b>				
From Financial Institutions	0	0	1	0
<b>Total Borrowings</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>

'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 liabilities

	March 31, 2021	March 31, 2020
<b>Non- Current</b>		
Lease liability [Refer Note 30]	131	191
<b>Total other non-current liabilities</b>	<b>131</b>	<b>191</b>
<b>Current</b>		
Lease liability [Refer Note 30]	61	48
<b>Total other current liabilities</b>	<b>61</b>	<b>48</b>

### (iii) Trade payables

	March 31, 2021	March 31, 2020
<b>Current</b>		
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	1	0
Total outstanding dues of creditors other than micro enterprises and small enterprises	37	24
Trade Payables to related parties	2	3
<b>Total trade payables</b>	<b>40</b>	<b>27</b>

'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 March 31, 2021 and March 31, 2020. There is no interest due or outstanding on the same. This information 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

	March 31, 2021	March 31, 2020
Employee benefits payable	7	8
Statutory dues including provident fund and Tax Deducted at Source	15	15
<b>Total other current liabilities</b>	<b>22</b>	<b>23</b>





14 Provisions

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

	March 31, 2021			March 31, 2020		
	Current	Non Current	Total	Current	Non Current	Total
Leave Obligations (i)	0	3	3	1	5	6
Gratuity (ii)	-	5	5	-	5	5
	0	8	9	1	10	11

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

(i) Leave Obligations

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

	March 31, 2021	March 31, 2020
Current leave obligations expected to be settled within next 12 months	0	1

(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.

Gratuity

Changes in the defined benefit obligation and fair value of plan assets:-

	Present Value of Obligation	Fair Value of Plan Assets	Net Amount
<b>April 01, 2019</b>	12	4	8
Current Service Cost	2	-	2
Interest expense/ (income)	1	0	1
<b>Total amount recognized in profit or loss</b>	3	0	3
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0)	0
Actuarial changes arising from changes in demographic assumptions	(0)	-	(0)
Actuarial changes arising from changes in financial assumptions	(1)	-	(1)
Experience Adjustments	(2)	-	(2)
<b>Total amount recognized in other comprehensive income</b>	(3)	(0)	(3)
Employer's Contributions	-	3	(3)
Benefit payments	(1)	(1)	-
<b>March 31, 2020</b>	11	6	5
<b>April 01, 2020</b>	11	6	5
Adjustment to Opening Fair value	-	1	(1)
Current Service Cost	2	-	2
Interest expense/ (income)	0	0	0
<b>Total amount recognized in profit or loss</b>	2	1	1
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0	(0)
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	0	-	0
Experience Adjustments	(1)	-	(1)
<b>Total amount recognized in other comprehensive income</b>	(1)	0	(1)
Employer's Contributions	-	0	(0)
Benefit payments	(2)	(0)	(2)
<b>March 31, 2021</b>	10	7	3

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

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

	March 31, 2021	March 31, 2020
Present value of funded obligations	10	11
Fair value of plan assets	(7)	(6)
<b>Net defined benefit obligations</b>	3	5

(iii) Post employment benefits (Gratuity)

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	March 31, 2021	March 31, 2020
Discount rate	6.88% p.a.	6.67% p.a.
Future Salary increase	7% for next 3 years, and 5% thereafter	0% for first year, 7% for next 3 years, and 5% thereafter
Life expectancy	11.32 Years	10.68 Years
Rate of return on plan assets	6.88% p.a.	6.67% p.a.

(iv) Sensitivity analysis

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

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumption		Decrease in assumption	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate	50 Basis Points	50 Basis Points	(1)	(1)	1	1
Salary growth rate	50 Basis Points	50 Basis Points	1	1	(1)	(1)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

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:

	March 31, 2021			March 31, 2020		
	Unquoted	Total	In %	Unquoted	Total	In %
Insurance Company Products	7	7	100%	6	6	100%

(vi) Maturity profile of defined benefit obligations:

The following payments are expected contributions to the defined benefit plan in future years:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
March 31, 2021	1	1	3	6	11
March 31, 2020	1	1	3	8	13

(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	March 31, 2021	March 31, 2020
Superannuation fund paid to the Trust	0	0
Employees state insurance fund paid to the authorities	2	2
Pension fund paid to the authorities	6	7
	<b>8</b>	<b>9</b>

\*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 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 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. 4Mn (March 31, 2020 Rs.5Mn) during the year to the Trust, which has been charged to Statement of Profit and Loss.



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

	March 31,2021	March 31,2020
<b>15 Revenue from operations</b>		
Sale of services	579	624
<b>Total revenue from continuing operations</b>	<b>579</b>	<b>624</b>
<b>Timing of revenue recognition</b>		
Services transferred over time	579	624
<b>Total revenue from contracts with customers</b>	<b>579</b>	<b>624</b>
<b>16 Other income</b>		
Dividend Income from investments in mutual funds	-	4
Interest income from financial assets at amortized cost	8	8
Income on Financial investments at Fair value through Profit and Loss		
Mutual Funds	0	30
Gain on exchange fluctuations (net )	-	4
Miscellaneous income	10	7
<b>Total other income</b>	<b>18</b>	<b>53</b>
<b>17 Employee benefits expense</b>		
Salaries, wages and bonus	215	268
Contribution to provident and other funds	12	15
Gratuity (Refer Note 14)	1	3
Staff welfare and recruitment expenses	4	9
<b>Total employee benefit expense</b>	<b>231</b>	<b>295</b>
<b>18 Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment [Refer Note 3]	7	8
Depreciation of right of use assets [Refer note - 30]	44	44
Amortization of intangible assets [Refer Note 4]	10	10
<b>Total depreciation and amortization expense</b>	<b>61</b>	<b>62</b>
<b>19 Other expenses</b>		
Rental charges (Refer Note 30)	0	0
Rates and taxes	3	0
Electricity and water charges	7	10
Telephone and communication charges	5	6
Legal and professional fees	10	14
Travelling and conveyance	44	47
Repairs and maintenance		
Plant and machinery	6	6
Others	11	14
Loss on exchange fluctuations (net)	3	-
Payment to auditors [Refer note 19(a) below]	1	1
Other production expenses	12	10
Security and administration charges	10	13
Corporate Social Responsibility expenditure [Refer note 19 (b) below]	2	2
Miscellaneous expenses	3	5
<b>Total other expenses</b>	<b>116</b>	<b>127</b>

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

<b>19 (a) Details of payments to auditors</b>		
<b>Payments to auditors (excluding tax)</b>		
<b>As auditor:</b>		
Audit Fee	1	1
Tax audit Fee	0	0
<b>In other capacities:</b>		
Re-imburement of expenses	0	0
<b>Total payments to auditors</b>	<b>1</b>	<b>1</b>

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



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

	March 31,2021	March 31,2020
<b>19 (b) Corporate social responsibility expenditure</b>		
Contribution to NIIT Institute of Information Technology	1	2
Contribution to Government Schools / Others	1	-
<b>Total</b>	<b>2</b>	<b>2</b>
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

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. During the year, the Company was required to spend an amount of Rs. 2 mn on CSR activities as per the requirement provided under sub-section (5) of section 135.

<b>20 Finance costs</b>		
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	0
Finance costs on Lease Rent	22	26
<b>Finance costs expensed in profit or loss</b>	<b>22</b>	<b>26</b>

'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.

	March 31,2021	March 31,2020
<b>(a) Income tax expense</b>		
<i>Current tax</i>		
Current tax on operating profits of the year	42	46
Adjustments for current tax of prior periods	0	-
<b>Total current tax expense</b>	<b>42</b>	<b>46</b>
<i>Deferred tax</i>		
(Decrease)/ increase in deferred tax liabilities	1	(12)
<b>Total deferred tax expense/(benefit)</b>	<b>1</b>	<b>(12)</b>
<b>Income tax expense</b>	<b>43</b>	<b>34</b>

Note: Refer Note 6 for Deferred tax movement

<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit from continuing operations before income tax expense	167	167
Profit from other comprehensive income before income tax expense		
Profit from discontinuing operation before income tax expense		
<b>Tax at the Indian tax rate of 25.168% (25.168% in March 2020)</b>	<b>42</b>	<b>42</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donations to the extent disallowable	-	0
Disallowance of expenses related to exempted income - u/s 14A	-	0
Dividend Income exempted u/s 10	-	(1)
Profit on Sale of Assets	-	-
Disallowance of Interest on Income Tax	1	0
Adjustments on taxes for prior periods (FY 19-20)	0	0
Changes in tax rates (Capital gain on mutual fund)	(0)	(6)
<b>Income tax expense</b>	<b>43</b>	<b>34</b>

'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**

	March 31, 2021			March 31, 2020		
	FVPL	FVTOCI	Amortized Cost	FVPL	FVTOCI	Amortized Cost
<b>Financial assets</b>						
Investments in Mutual funds	-		-	20		-
Investments in unquoted equity instruments	-		536	-		-
Trade and other receivables			182			104
Cash and cash equivalents			27			22
Long term deposits with bank with maturity period more than 12 months			22			38
Security deposits			20			18
<b>Total Financial assets</b>	-	-	<b>786</b>	<b>20</b>	-	<b>182</b>
<b>Financial liabilities</b>						
Borrowings			0			2
Trade and other payables			40			27
<b>Total Financial liabilities</b>	-	-	<b>40</b>	-	-	<b>29</b>

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

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.

Investments in equity instruments (Unquoted) are carried at cost

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 March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL-Mutual Fund	-	-	-	-
<b>Total financial assets</b>	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL-Mutual Fund	20	-	-	20
<b>Total financial assets</b>	<b>20</b>	-	-	<b>20</b>

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.



**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).

**(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, 2021:

Particulars	Less than 1 Year	1-2 Years	2-4 Years	4-7 Years	Total
Borrowings	0	0	-	-	0
Trade Payables	36	(0)	(0)	0	36
	<b>36</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>36</b>

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
	<b>28</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>28</b>

'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-21	31-Mar-20
(i) Equity Shares		
Final dividend paid for the year ended March 31, 2021 of Rs.NIL (March 31, 2020 - Rs.NIL) per share	-	-
(ii) Interim dividend paid for the year ended March 31, 2021 of Rs. NIL (March 31, 2020 - Rs.NIL) per share	-	-
(iii) Dividends not recognised at the end of reporting period	55	-
Since year end the directors have recommended the payment of Interim dividend of Rs. 1.10 per fully paid up equity share (March 31, 2020 - Rs. NIL).		



## 25 Related Party Disclosure

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

#### 1 Key Managerial Personnel

Sudhir Singh, Director  
Sanjeev Prasad, Director  
Ajay Kalra, Managing Director  
Natarajan Meenakshi Sundaram, Chief Financial Officer (resigned on June 30, 2020)  
Ashish Arora, Chief Financial Officer (appointed on July 24, 2020)  
Barkha Sharma, Company Secretary

#### 2 Holding Company

Coforge Limited (erstwhile NIIT Technologies Limited)

#### 3 Fellow Subsidiaries

Coforge Limited, UK (erstwhile NIIT Technologies Limited, UK)  
Coforge Inc. USA (erstwhile NIIT Technologies Inc., USA)  
Coforge GmbH, Germany (erstwhile NIIT Technologies GmbH, Germany)  
Coforge AdvantageGo Limited, U.K (erstwhile NIIT Insurance Technologies Limited, U.K.)  
Coforge Airline Technologies GmbH, Germany (erstwhile NIIT Airline Technologies GmbH, Germany)

#### 4 Parties of whom the Company is an associate and their subsidiaries:

NIL

#### 5 Parties in which the Key Managerial Personnel of the Company are interested:

Coforge DPA Private Limited (erstwhile NIIT Incessant Private Limited)  
Whishworks IT Consulting Private Limited  
Coforge Services Limited (erstwhile NIIT Technologies Services Limited)

### B List of other related parties:

Particulars	Country	Nature of relationship
Coforge Limited Employees Provident Fund Trust (erstwhile NIIT Technologies Limited Employees Provident Fund Trust)	India	Post-employment benefit plan
Coforge Limited Employees Group Gratuity Scheme (erstwhile NIIT Technologies Limited Employees Group Gratuity Scheme)	India	Post-employment benefit plan
Coforge Limited Employees Superannuation Scheme (erstwhile 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	Fellow Subsidiaries	Key Managerial Personnel	Parties in which Key Managerial Personnel of the Company are interested	Total
Rendering of Services	-	465	-	-	465
	-	(489)	-	-	(489)
Receiving of Services	7	-	-	-	7
	(9)	-	-	-	(9)
Transfer of Expenses from	1	-	-	-	1
	(1)	(0)	-	(0)	(1)
Transfer of Expenses to	21	6	-	-	27
	(19)	(5)	-	-	(24)
Investments made	-	536	-	-	536
Sale of Fixed Assets	-	-	-	-	-
	(1)	-	-	-	(1)
Corporate Social Responsibility	-	-	-	(2)	(2)
<b>Total</b>	<b>28</b>	<b>1,007</b>	-	-	<b>1,035</b>
	<b>(30)</b>	<b>(494)</b>	-	<b>(2)</b>	<b>(526)</b>

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, 2021	Payables as at March 31, 2021	Receivables as at March 31, 2020	Payables as at March 31, 2020
Holding Company and Fellow Subsidiaries				
Amount receivable / payable	163	2	82	3
Parties of whom the Company is an associate	-	-	-	-
Key Managerial Personnel	-	-	-	-
Parties in which Key Managerial Personnel are interested	-	-	-	-

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.

E Terms and Conditions

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:

	March 31,2021	March 31,2020
Income tax matters pending disposal by the tax authorities	1	7

- (i) Disallowance of Rs.0.6 Mn as on March 31, 2021 for the Financial Year 2014-15, against intimation u/s 143(1) received. Response submitted w.r.t. non credit of Surcharge, Cess and Edu.Cess while allowing MAT Credit.
- (ii) Demand for the Financial Year (FY) 2004-05 of Rs.6mn pertaining to treatment of revenue expenditure related to business development and marketing expenses as Capital expenses has been decided in favour of the Company by the Hon'ble Income Tax Appellate Tribunal (ITAT), Delhi
- (iii) 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 March 31, 2021 and March 31, 2020.

## 27 Commitments

### Capital Commitments

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

	March 31,2021	March 31,2020
Property, plant and equipment *	-	4

\* Amount of estimated value of contracts in capital account remaining to be executed are net of capital advance of Rs.NIL. (March 31,2020: Rs. NIL)

## 28 Earnings per Share

	31 March 2021	31 March 2020
(a) <i>Basic earnings per equity share of Rs 10 each</i> Attributable to the equity holders of the Company (Rs. Per share)	2.49	2.66
(b) <i>Diluted earnings per equity share of Rs 10 each</i> Attributable to the equity holders of the Company (Rs. Per share)	2.49	2.66
(c) <i>Reconciliations of earnings used in calculating earnings per share</i>		
<i>Basic earnings per share</i> Profit attributable to the equity holders of the Company used in calculating basic earnings per share:	124	133
<i>Diluted earnings per share</i> Profit attributable to the equity holders of the company used in calculating diluted earnings per share	124	133
(d) <i>Weighted average number of shares used as the denominator</i> Weighted average number of equity shares used as the denominator in calculating basic earnings per share	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.



**Coforge SmartServe Limited (erstwhile NITF SmartServe Limited)**  
**Notes to Financial Statements for the financial year ended March 31, 2021**

**29 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	403
India	14
Europe, Middle East and Africa	162
<b>Grand Total</b>	<b>579</b>

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, 2021, 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.

**30 Leases**

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

Effective April 1, 2019, the Company adopted Ind AS 116 on "Leases", using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) 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 period and earnings per share.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Buildings
Balance as of April 01, 2020	177
Additions	-
Deletions	(2)
Depreciation	(44)
<b>Balance as of March 31, 2021</b>	<b>130</b>

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	Year ended March 31, 2021
Balance at the beginning	238
Additions	-
Deletions	(2)
Finance cost accrued during the period	21
Payment of lease liabilities	(65)
<b>Balance at the end</b>	<b>192</b>

The following is the break-up of current and non-current lease liabilities as of March 31, 2021

Particulars	Amount
Current lease liabilities	61
Non-current lease liabilities	131
<b>Total</b>	<b>192</b>

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2021 on an undiscounted basis:

Particulars	Amount
Less than one year	76
One to five years	145
More than five years	-
<b>Total</b>	<b>221</b>

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.

**31 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.

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

Particulars	As at April 01, 2020	Cash Flow during the year			Finance Charges Accrued	Dividend Accrued	As at March 31, 2021
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	2	-	(2)	(2)	-	-	0
Dividend Payable (including Corporate Dividend Tax )	-	-	-	-	-	-	-
Interest on borrowings	-	-	0	0	-	-	-
	<b>2</b>	-	<b>(2)</b>	<b>(2)</b>	-	-	<b>0</b>

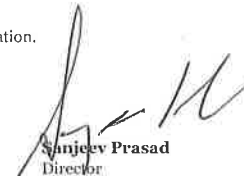
Particulars	As at April 01, 2019	Cash Flow during the year			Finance Charges Accrued	Dividend Accrued	As at March 31, 2020
		Proceeds	Payment	Net Cash Flows			
Long term borrowings (including Current Maturities of long term debt)	3	-	(1)	(1)	-	-	2
Dividend Payable (including Corporate Dividend Tax )	-	-	-	-	-	-	-
Interest on borrowings	-	-	0	0	-	-	-
	<b>3</b>	-	<b>(1)</b>	<b>(1)</b>	-	-	<b>2</b>

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

**33 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

**Vineet Kedia**  
Partner  
Membership No.212230  
UDIN: 21212230AAAABJ2330  
Place : Mumbai  
Date : May 03, 2021

  
**Sanjeev Prasad**  
Director  
Place : Gurugram  
Date : May 03, 2021

  
**Ashish Arora**  
Chief Financial Officer

Place : Delhi  
Date : May 03, 2021



**Ajay Kalra**  
Managing Director  
Place : Gurugram  
Date : May 03, 2021

  
**Barkha Sharma**  
Company Secretary

Place : Ghaziabad  
Date : May 03, 2021

