**CyberTech**
Systems and Software Limited

**REGD OFFICE**: `CyberTech House' Plot No. B-63/64/65, Road # 21/34, J.B Sawant Marg, MIDC, Wagle Estate, Thane 400604
● Tel: +91-22-2583 4643 / 44 / 45 ● Fax: +91-22-2583 2574
● CIN L72100MH1995PLC084788 ● Email: cssl.investors@cybertech.com ● Website: www.cybertech.com

**Date: August 23, 2021**

| To<br>**BSE Limited**<br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Mumbai-400 001<br>**Scrip Code: 532173** | To<br>**National Stock Exchange of India Ltd**.<br>Plot No. C1, Exchange Plaza<br>G Block, Bandra Kurla Complex<br>Bandra (East), Mumbai - 400 051<br>**Symbol: CYBERTECH** |
|---|---|

Dear Sir/Madam,

**Sub: Submission of Annual Report – FY 2020-21**
**Ref: Regulation 34(1) of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Annual Report of the Company for the Financial Year 2020-21.
Kindly take the same on record.

Thanking you,

Yours faithfully,

**For CYBERTECH SYSTEMS AND SOFTWARE LIMITED**

Sarita

**Sarita Leelaramani**
**Company Secretary and Compliance Officer**
**Membership No.: A35587**

CYBERTECH SYSTEMS AND SOFTWARE LTD. * THANE

Encl.: Annual Report FY 2020-21

2020-21

CyberTech
Systems & Software Ltd.

# 26th ANNUAL REPORT

spatialitics™ Health

spatialitics™ Utilities

GeoShield™ REAL-TIME

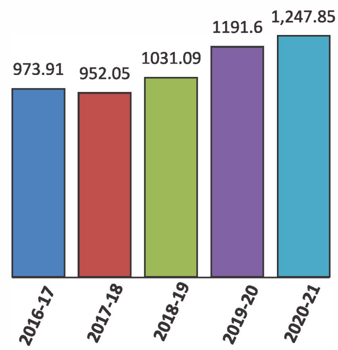
# FINANCIAL HIGHLIGHTS

**CONSOLIDATED** ₹ in Millions

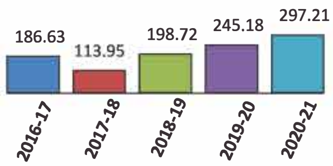
| Financial Year | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| Gross Revenue | 973.91 | 952.05 | 1,031.09 | 1,191.6 | 1,247.85 |
| EBIDTA | 186.63 | 113.95 | 198.72 | 245.18 | 297.2 |
| Net Worth | 746.33 | 755.32 | 831.59 | 941.16 | 1,148.04 |
| Dividend Rate | 10% | 10% | 10% | 10% | **10%*** |

* Subject to Shareholders' approval at the 26th AGM

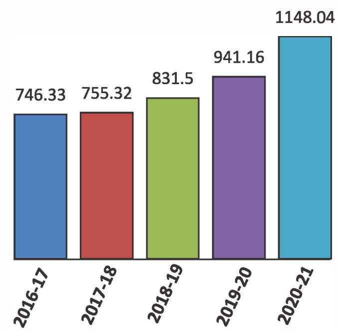
## Consolidated Performance




**Gross Revenue**
**(₹ in Millions)**




**EBITDA**
**(₹ in Millions)**



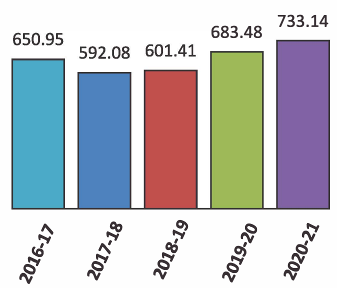

**Net Worth**
**(₹ in Millions)**

**STANDALONE** ₹ in Millions

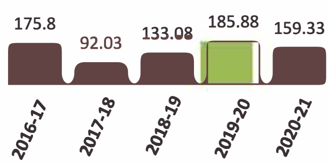
| Financial Year | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|---|---|---|---|---|---|
| Gross Revenue | 650.95 | 592.08 | 601.41 | 683.48 | 733.14 |
| EBIDTA | 175.8 | 92.03 | 133.08 | 185.88 | 159.33 |
| Net Worth | 870.07 | 866.31 | 891.54 | 962.79 | 1092.42 |
| Dividend Rate | 10% | 10% | 10% | 10% | **10%*** |

* Subject to Shareholders' approval at the 26th AGM

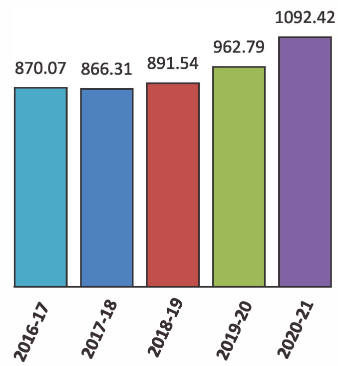
## Standalone Performance




**Gross Revenue**
**(₹ in Millions)**




**EBITDA**
**(₹ in Millions)**




**Net Worth**
**(₹ in Millions)**

# Corporate Information

## Corporate Identity Number (CIN) L72100MH1995PLC084788

### BOARD OF DIRECTORS

**Chairman**

| | |
|---|---|
| Mr. Vish Tadimety | (Non – Executive) |

**Directors**

| | |
|---|---|
| Mr. Sudhir Joshi | (Independent) |
| Mr. M. P. Bharucha | (Independent) |
| Dr. N. L. Sarda | (Independent) |
| Dr. Shreepad Karmalkar | (Independent) |
| Ms. Angela C. Wilcox | (Independent) |
| Mr. Steven Jeske | (Non-Executive) |
| Mr. Ramasubramanian S. | (Executive & KMP) |
| Ms. Amogha Tadimety | (Non-Executive) |

### KEY MANAGERIAL PERSONNEL (KMP)

| | |
|---|---|
| Mr. Praveen Agarwal | (Chief Financial Officer) |
| Ms. Sarita Leelaramani | (Company Secretary) |

### AUDITORS

Bagaria & Co. LLP, Chartered Accountants
(Statutory Auditors)
Desai Associates, Chartered Accountants
(Internal Auditors)
S. Anantha & Ved LLP, Company Secretaries
(Secretarial Auditors)

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Private Ltd.
C 101, 247 Park, L.B.S Marg
Vikhroli (West), Mumbai - 400083
T- 022-491 86000 | F - 022-491 86060
E-mail ID: mumbai@linkintime.co.in
Website: www.linkintime.co.in

### REGISTERED OFFICE

'CyberTech House'
Plot No. B-63/64/65, MIDC, Road No. 21/34
Wagle Estate, Thane (W) - 400604
Tel: +91 22-4283-9200 | Fax: +91-22-4283-9236
E-mail ID: cssl.investors@cybertech.com
Website: www.cybertech.com

### BRANCH OFFICE

CyberTech Systems & Software Ltd.
Lunkad Sky Vista, Unit No 701
7th Floor, Viman Nagar
Pune – 411016.
E-mail ID: info@cybertech.com
Website: www.cybertech.com

### SOLICITORS

M/s. Bharucha & Partners, Mumbai

### LISTED AT

National Stock Exchange of India Ltd.
BSE Ltd.

### BANKERS

Union Bank of India

### WHOLLY OWNED SUBSIDIARIES

**CyberTech Systems and Software Inc. USA**
*Corporate Office:*
3800 Horizon Blvd, Suite #104,
Trevose, PA 19053, USA
E-mail ID: info@cybertech.com
Website: www.cybertech.com

**Spatialitics LLC, USA**
1301 West 22nd Street, Suite 308
Oak Brook, IL 60523, USA
E-mail ID: info@spatialitics.com
Website: www.spatialitics.com

# Contents

CyberTech Systems & Software Ltd.

# Letter to Shareholders

Dear Fellow Shareholders,

First of all I wish you and your families a safe and healthy 2021 and beyond. The well-being of CyberTech's extended family of employees, stakeholders, vendors and clients; well-wishers and the citizens of the world is at the top of my mind. I pray and hope you are all well.

Starting in February 2020, the outbreak of the COVID-19 pandemic adversely impacted peoples' lives and business across the globe. And this year, the second wave of COVID-19 in India has impacted our people and their socio-economic condition. Our hearts go to the millions who were impacted by this pandemic. While I am pleased no CyberTech employee is affected, I can't say the same about their immediate families. My heart goes to them.

I created a COVID-19 response task force to support our employees and customers in March 2020. I have personally communicated with all our major clients, assured them of CyberTech employee safety, the actions taken by Indian governing officials and the utmost urgency and importance I pay to employee well-being. Meanwhile CyberTech has arranged COVID-19 vaccination drives for our staff and their family members. I am pleased to report that 'no balls' were dropped while delivering some of the most complex projects. We have graduated from "Work from Home" to "Engaged and Successful from Home". I could not have achieved this without our Executive Director Shri Raman Subramanian and other Senior Managers. My heartfelt appreciation to CyberTech employees, who have worked tirelessly and beyond their roles; to ensure functioning of business-critical activities.

Our business has been good all through this. Cloud revenues are at the centre of our growth. Digitalization, "Work From Home" and Employee Safety has meant more Cloud work for CyberTech.

Below are my thoughts on the financial year 2021 performance. Despite challenges, we ended a strong financial year with a substantial increase in both margins and growth. Our EBITDA grew by 21% to ₹ 297 million and PAT grew by 82% to ₹ 241 million. Although our overall revenues, dipped in the first quarters, our booked orders have come back robustly with an overall 5% recognized revenue growth. We achieved superior operational efficiency and maturity over the past year.

**Financial Highlights**

Let me first share key financial highlights of FY21 with you:

- Our total revenue stood at ₹ 1,247.8 million in FY21 as compared to ₹ 1,191.6 million in FY20, reflecting a growth of 4.7%
- Our operating revenue stood at ₹ 1,178.0 million as compared to ₹ 1,128.2 million in FY20
- Our reported EBITDA for FY21 was at ₹ 297.2 million (23.8% of total revenue) as compared to ₹ 245.2 million (20.6% of total revenue) in FY20, reflecting a growth of 21%
- Our net income for FY21 was ₹ 240.9 million as compared to ₹ 132.2 million in FY20, reflecting a growth of 82.2%
- Our total Comprehensive income for FY21 was ₹ 230.9 million as compared to ₹ 140.9 million in FY20, reflecting a growth of 63.8%
- We continue to have a strong balance sheet with reliable long term profit streams and no debt
- Our US-based business continued to grow, which can be primarily attributed to deal wins from both new and existing customers.

**Business Matters**

Cloud and digital transformation have become a necessity in this pandemic era. The cloud industry is projected to see huge growth and I am happy to report that our company's strategy is focused towards enterprise cloud transformation; and we are perfectly positioned to be part of this growth.

Our deal pipeline is quite strong for our three key offerings - SAP S/4HANA® and SAP® Cloud Offerings, Managed ArcGIS Cloud Services and Spatialitics Cloud Software Solutions. We will continue investing in these offerings as well as our digital marketing capabilities that have created a strong demand generation engine.

I manage our company based on a 8 Step Transformation roadmap. Let me touch on a 4 of the important steps that are driving our transformation:

1. Fiscal Strength and Strong Balance Sheet- You can read clearly how the company has superior balance sheet, cash position, EBITDA margins. We are strong.

2. Customer Enterprise Lifecycle- We focus on long term recurring revenues, multi-year contracts and productized offerings. Each customer has a measurable lifecycle value based on cash margins, renewal rates, interest and growth. We add value.

3. Employees, Women, Human Capital: At the end of the day we are a technical company. We are 2nd only to Esri in the depth of our GIS expertise! We hire great grads from IITs and IIMs. We have our own CyberTech Geospatial leaders program (CGL). This team alone can drive our success in Cloud Transformation. We care for our employees.

4. Sales and Digital Sales: It is not just consumer business, Enterprises also depend on Digital Sales. Our IIM Managers led team are doing great work here. We sell.

**SAP® means SAP S/4HANA®-** SAP® in the Cloud. This focus is the centre of our cloud transformation strategy. We have just become SAP® Reseller for Cloud Products (July 2021). Our SAP BTP/HANA® Cloud offerings continued to gain traction and we have been awarded several HANA cloud migrations as a result of our strong relationship with SAP®.

**Esri® means ArcGIS Enterprise- Cloud, Kubernetes and Level 1 GIS systems.** Our Managed ArcGIS Cloud Services offerings have significant momentum, having closed three deals this year. These deals have recurring revenue over a long period of time. We are in advance stages of discussion for new opportunities. Our "DataSafe" security approach is unique due to the depth of our experience ; our senior Cloud team are experts in security and web scale complex systems.

Spatialitics LLC is growing and is cloud native. The newer version of Spatialitics GeoShield product is capable of integrating multiple disparate data sources, including video camera streams coming from different camera sources, on a real time basis. We are witnessing strong demand from our existing as well as new customers for GeoShield products. Spatialitics Utilities and Spatialitics Health product suites are also seeing increased demand. We are in discussion with various US water utilities about implementing Spatialitics Utilities product suite.

We have participated in many conferences including SAP® Sapphire, SAP® Utilities, Esri® Global User conference, Esri partner conference, and Esri Infrastructure Management and GIS (IMGIS) Conference this past year. I thank our SEs who presented excellent technical papers and their sessions were well received by attendees.

We continue to see increased adoption for secure and complaint cloud and digital infrastructure. CyberTech is the partner in digitalization journey; and our unparalleled expertise in geospatial engineering, cloud transformation and cybersecurity. Our close partnership with Esri, including our becoming the 1st ArcGIS Cloud Service Specialty designation awardee made a difference.

I thank my eminent Board of Directors, Shri MP Bharucha Esq. for his support and friendship, Shri Sudhir Joshi for his hands-on style and counsel. I am grateful to Ms. Angela Wilcox, Dr. NL Sarda and Dr. Shreepad Karmalkar for helping me during this difficult year. I thank all our clients, my fellow shareholders and our CyberTech colleagues for their support. I believe we have strong momentum and will continue to see business growth in the coming years.

Finally, I want all of you to be safe. This year the AGM is once again virtual ; but I do hope to meet you all in person at the 2022 AGM or earlier.

Warm regards,

**Vish Tadimety**
**Chairman**

Place : Trevose, PA, USA
Date : July 23, 2021

# NOTICE

**NOTICE** is hereby given that the **Twenty-Sixth (26th)** Annual General Meeting **(AGM)** of the members of **CyberTech Systems and Software Limited ('the Company/CyberTech')** will be held on **Wednesday, September 15, 2021 at 05:00 P.M.,** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt (a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon; and (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the report of Auditors thereon and in this regard, to pass the following resolutions as **Ordinary Resolutions:**

   *(a) **"RESOLVED THAT** the Audited Standalone Financial Statement of the Company for the Financial Year ended March 31, 2021 and the reports of the Board of Directors and Auditors thereon be and are hereby considered and adopted."*

   *(b) **"RESOLVED THAT** the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2021 and the reports of the Auditors thereon be and are hereby considered and adopted."*

2. To declare a dividend on Equity Shares for the Financial Year ended March 31, 2021 and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   *"**RESOLVED THAT** a dividend at the rate of ₹ 1/- (Rupee One only) per Equity Share of ₹ 10/- (Rupees Ten only) each on 27,795,543 paid-up Equity Shares of the Company, as recommended by the Board of Directors of the Company, be and is hereby declared for payment for the Financial Year ended March 31, 2021, to those eligible shareholders as per the Book-closure of the Company kept for this purpose."*

3. To appoint Mr. Steven Jeske (DIN: 01964333), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   *"**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Steven Jeske (DIN: 01964333) who retires by rotation at this meeting and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."*

**SPECIAL BUSINESS:**

4. To re-appoint Mr. Ramasubramanian Sankaran (DIN: 05350841) as an Executive Director of the Company and to approve his remuneration:

   To consider and if thought fit, to pass the following resolution as a **Special Resolution:**

   **"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the Company hereby approves the re-appointment of Mr. Ramasubramanian Sankaran (DIN: 05350841) as a Whole Time Director designated as Executive Director of the Company for a period of 3 (three) years effective from August 04, 2021, at such remuneration and on the terms and conditions, as per the Explanatory Statement attached to this notice, with liberty to the Board of Directors to vary, amend and/or revise the remuneration within the maximum ceiling and the terms and conditions of the re-appointment in accordance with the provisions of the Act, and as may be agreed to between the Board of Directors and Mr. Ramasubramanian Sankaran."

   **"RESOLVED FURTHER THAT** during the tenure of the appointment as an Executive Director, Mr. Ramasubramanian S. shall not be liable to retire by rotation."

**By Order of the Board of Directors of**
**CyberTech Systems and Software Limited**

**Sd/-**
**Sarita Leelaramani**
Company Secretary and Compliance Officer
Membership No. A35587

Place : Thane
Date : July 23, 2021
**Registered Office:**
CyberTech House, Plot No. B-63/64/65 , Road No. 21/34
J.B. Sawant Marg, MIDC, Wagle Estate, Thane (W) – 400 604
**CIN: L72100MH1995PLC084788**
**Website: www.cybertech.com** | **E-mail: cssl.investors@cybertech.com**

**NOTES:**

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020 and Circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs **(MCA)**, and the relevant circulars of the Securities and Exchange Board of India **(SEBI)** (hereinafter collectively referred to as **'Circulars'**) physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) may be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Link Intime India Pvt. Ltd will be providing facility for voting through remote e-voting, for participation in the AGM through VC / OAVM facility and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is explained at end of the notice and is also available on the website of the Company at https://www.cybertech.com/Investor

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and therefore the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act"). Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Act, at cssl.investors@cybertech.com

5. The Circular dated May 12, 2020 issued by SEBI states that owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith), such statements including the Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

   The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com and on the website of Link Intime India Private Limited at https://instavote.linkintime.co.in.

6. The Members may join the 26th AGM through VC/ OAVM Facility by following the procedure mentioned herein below in the Notice which shall be kept open for the Members from 4:45 P.M. IST i.e. 15 (fifteen) minutes before the time scheduled to start the 26th AGM and the Company may close the window for joining the VC/OAVM Facility 15 (fifteen) minutes after the scheduled time to start the 26th AGM. Members may note that the VC/ OAVM Facility, allows participation of at least 1,000 Members on a *'first come first served'* basis. The large Shareholders (i.e. shareholders holding 2% or more), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. can attend the 26th AGM without any restriction on account of *'first come first served'* basis.

7. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owners (in case of electronic shareholding) as on the cut-off date i.e. **Wednesday, September 08, 2021.**

8. Since the 26th AGM will be held through VC/OAVM Facility, the **Route Map is not annexed** in this Notice.

9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change of address immediately to the Company/Registrar and Share Transfer Agent, Link Intime India Private Limited.

10. In terms of the applicable provisions of the Act and Rules thereto, the Company has obtained e-mail addresses of its Members and have given an advance opportunity to every Member to register their e-mail address and changes therein from time to time with the Company for service of communications/ documents (including Notice of General Meetings, Audited Financial Statements, Boards' Report, Auditors' Report and all other documents) through electronic mode.

    Although, the Company has given opportunity for registration of e-mail addresses and has already obtained e-mail addresses from some of its Members, Members who have not registered their E-mail address so far are requested to register their e-mail for receiving all communications including Annual Report, Notices and Circulars etc. from the Company electronically. Members can do this by updating their email addresses with their depository participants.

11. Members must quote their Folio No. /Demat Account No. and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company/Registrar and Share Transfer Agent.

12. The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agent.

13. In terms of Section 152 of the Companies Act, 2013, Mr. Steven Jeske (DIN: 01964333), retires by rotation at the Meeting and being eligible, offers himself for re-appointment. Details of Director retiring by rotation as required pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India is provided under **Note No. 32** below.

14. If the Dividend, as recommended by the Board of Directors, is approved at the Annual General Meeting, payment of such dividend will be made on or before Thursday, September 30, 2021 as under:

    i. To all Beneficial Owners in respect of shares held in the dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of the business hours on Wednesday, September 08, 2021;

    ii. To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Wednesday, September 08, 2021, whose name will appear on the Company's Register of Members on Thursday, September 09, 2021.

    iii. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with our Registrar & Share Transfer Agents Link Intime India Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

    iv. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to rnt.helpdesk@linkintime.co.in. Shareholders are requested to note that, **in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.**

    v. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to rnt.helpdesk@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders.

    vi. Shareholders are requested to send the documents related to TDS to Link Intime India Pvt. Ltd., at email ID : cssldivtax@linkintime.co.in or update the same by visiting the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before September 07, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination/ deduction shall be considered post 11:59 PM (IST) of Tuesday, September 07, 2021. (kindly Refer **Page No 216-218 for more details)**

15. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members holding shares in physical form and desirous of making nomination in respect of their shareholding in the Company are requested to submit details to the Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, Mumbai, in the prescribed Form SH – 13. Members holding shares in demat form may contact their respective DP for recording of nomination.

16. SEBI vide its Press Release dated March 27, 2019, has mandated that transfer of securities shall only be in dematerialized form, from April 01, 2019 onwards except in case of transmission or transposition of securities. Accordingly, shareholders are requested to dematerialize their shares held in physical form to enable smooth transfer of securities in real time.

17. Please note that pursuant to aforesaid SEBI notification in point no. 16, Link Intime India Pvt. Ltd., our Registrar and Transfer Agent and Company will not accept any request for transfer of shares in physical form. This restriction shall not be applicable to the request received for transmission or transposition of physical shares unless SEBI notifies anything in contrary thereto.

18. Members desirous of holding shares in physical form are requested to advise any change in their registered address or Bank particulars, to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited, Mumbai, quoting their folio number. Members holding shares in electronic form are requested to intimate about change of address or bank particulars to their respective Depository Participant and not to the Company. All the Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

19. In case of joint holders attending the meeting the Members whose name appears as the first holders in the order of names as per the register of Members of the Company will be entitled to vote.

20. Members desiring any information on the Accounts of the Company are requested to write to the Company at cssl.investors@cybertech.com / 022 - 4283-9200 at least 10 days in advance so as to enable the Company to keep the information ready.

21. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to at cssl.investors@cybertech.com.

22. In all correspondence with the Company or with its Registrar & Share Transfer Agent, members are requested to quote their folio number, and in case the shares are held in dematerialized form, they must quote their Client ID Number and DPID Number.

23. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and Share Transfer Books of the Company shall remain closed from September 09, 2021 to September 15, 2021 (both days inclusive) for the purpose of 26th AGM and dividend.

24. Additional information, pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Directors seeking appointment/re-appointment at the AGM is furnished hereunder. The Directors have furnished consent / declaration for their appointment/re-appointment as required under the Companies Act, 2013 and Rules thereunder.

25. Members may also note that the Notice of the 26th AGM and the Annual Report 2020-21 is available on the Company's website: https://www.cybertech.com/Investor

26. Transfer of unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

    Pursuant to Section 125 and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividends, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government.

    No claim shall lie against the IEPF or the Company for the amounts so transferred, nor shall any payment be made in respect of such claim.

27. Members who have not yet encashed their dividend warrant(s) pertaining to the Dividend for the Financial Year 2014-15, onwards are requested to make their claims without any delay to Company or Link Intime India Pvt. Ltd. It may be noted that the unclaimed Final Dividend for the Financial Year 2013-14 declared by the Company on September 30, 2014 can be claimed by the shareholders by September 30, 2021.

28. The Investors, who have not yet encashed / claimed the Dividend, are requested to encash/claim the Dividend by corresponding with the Registrar and Share Transfer Agents and Company Secretary. Members are requested to note that dividend not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will in terms of Section 124 of the Companies Act, 2013, be transferred to the "Investor Education and Protection Fund"(IEPF). The details of unclaimed/unpaid dividend are placed on the website of the Company https://www.cybertech.com/Investor

29. Investors holding the shares in physical form should provide the National Electronic Clearing Service (NECS) mandate to the Company's R&TA and investors holding the shares in demat form should ensure that correct and updated particulars of their bank account are available with the Depository Participant (DP). This would facilitate in receiving direct credits of dividends, refunds etc., from Company and avoid postal delays and loss in transit. Investors must update their new bank account numbers allotted after implementation of Core Banking Solution (CBS) to the Company's R&TA in case of shares held in physical form and to the DP in case of shares held in demat form.

30. **To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Link Intime India Pvt. Ltd./Depositories.**

31. In compliance with Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company is pleased to provide its Members the facility to cast their votes either for or against each resolutions set forth in the Notice of the 26th AGM using electronic voting system ('remote e-voting') and e-voting (during the 26th AGM), provided by Link Intime India Private Limited ("Link Intime") and the business may be transacted through such voting.

    Only those Members who will be present in the 26th AGM through VC / OAVM facility and have not cast their vote on the resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the 26th AGM.

    The voting period begins on Sunday, September 12, 2021 (9.00 AM IST) and ends on Tuesday, September 14, 2021 (5.00 PM IST). During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on Wednesday, September 09, 2021 may cast their votes electronically. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of 26th AGM and holds shares as of the cut-off date i.e. August 20, 2021, may obtain the login ID and password by sending a request at rnt.helpdesk@linkintime.co.in. However, if a Member is already registered with Link Intime for e-voting, then he/she can use existing user id and password/PIN for casting the vote.

32. Information required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 (SS-2) with respect to the Director, seeking appointment/re-appointment is as under:

| **Name of the Director** | **Mr. Steven Jeske** | **Mr. Ramasubramanian Sankaran** |
|---|---|---|
| **Date of Birth** | 09/12/1952 | 02/07/1965 |
| **Age** | 68 | 56 |
| **Date of Appointment in current designation** | 22/12/2007 | 04/08/2018 |
| **Date of First appointment on the Board of the Company** | 22/12/2007 | 04/08/2015 |
| **Terms & Conditions of Appointment/ re-appointment** | Non–Executive Director of the Company liable to retire by rotation. | Executive Director not liable to retire by rotation |
| **Brief Resume of the Director** | Steven Jeske is a serial entrepreneur having been involved in the formation, financing and growth of several high profile start-ups. He is a CPA, former manager at PWC and holds an undergraduate degree in accounting from the University of Illinois and a Masters of Business Administration degree from the University of Chicago.<br><br>He has been involved in strategy and financing decisions, including building several promising technology practice areas such as Internet working and Geospatial Solutions to substantial size and scale. | Ramasubramanian S. is a graduate in Commerce and has been associated with Company for past 25 years. He heads the global operations of the Company. He has a vast experience and expertise in strategic planning, budgeting, forecasting, finance, taxation and day to day business operations of CyberTech group. |
| **Qualification** | CPA (US) and MBA - University of Chicago, USA | B.Com - Madurai Kamaraj University |
| **Nature of expertise/Experience** | Operations, Strategy, Finance and Business Development | Operations, Finance, Taxation and Business Development |
| **No. of shares held in the Company as on March 31, 2021** | 2,281,433 | Nil |
| **Directorships (Excluding alternate directorship, foreign companies and companies under Section 8 of the Companies Act, 2013)** | CyberTech Systems and Software Limited | CyberTech Systems and Software Limited |
| **Chairman/Member of the committees of the Board of Directors of the Listed Entity(s) as on March 31, 2021** | Nil | Member of Stakeholder Relationship Committee and Corporate Social Responsibility Committee |
| **Number of Board Meeting attended during the year** | Four (4) | Four (4) |
| **Inter se relationship between the Directors** | None | None |
| **Information as required pursuant to BSE Circular with ref. no. LIST/COMP/14/2018-19 and the National Stock Exchange of India Ltd with ref. no. NSE/ CML/ 2018/ 24, dated 20/06/18** | Mr. Steven Jeske is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. | Mr. Ramasubramanian Sankaran is not debarred from holding the office of director by virtue of any SEBI order or any other such authority. |

33. M/s. Bagaria & Co. LLP, Chartered Accountants (Firm Registration No. 113447W/W-100019), were appointed as the Statutory Auditor of the Company to hold the office for a period of five (5) consecutive years commencing from the conclusion of the 22nd Annual General Meeting held on September 28, 2017, subject to ratification by the members at every Annual General Meeting. Further, pursuant to the notification of Section 40 of the Companies (Amendment) Act, 2017, with effect from May 7, 2018, the requirement of ratification of the Statutory Auditors by the members is no longer required. Taking into consideration this amendment, the annual ratification is not sought this year onwards till the expiry of the term of the Statutory Auditors i.e. till the conclusion of 27th AGM of the Company.

34. **Shareholders are requested to go through the following instructions carefully to attend and vote at the AGM held through VC :**

A. Instructions for remote e-voting

B. Procedure for Annual General Meeting through (VC) InstaMeet

C. Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet

D. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet

**A. INSTRUCTIONS FOR REMOTE E-VOTING**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders | Login Method |
|---|---|
| **Individual Shareholders holding securities in demat mode with NSDL** | • If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.<br>• After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>• If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

| | |
|---|---|
| **Individual Shareholders holding securities in demat mode with CDSL** | • Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.<br>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.<br>• If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration<br>• Alternatively , the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress. |
| **Individual Shareholders (holding securities in demat mode) & login through their depository participants** | • You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.<br>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |
| **Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.** | 1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in<br>• Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: -<br>**A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company.<br>**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.<br>**C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)<br>**D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.<br>• Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above<br>• Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).<br>• Click "confirm" (Your password is now generated).<br>2. Click on 'Login' under **'SHARE HOLDER'** tab.<br>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.**<br>4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon.<br>5. E-voting page will appear.<br>6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the file link).<br>7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on **'No'** and accordingly modify your vote. |

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'.** They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type | Helpdesk details |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL help-desk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43. |

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & e-voting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under **Help** section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

**B. PROCEDURE FOR ANNUAL GENERAL MEETING THROUGH (VC) INSTAMEET:**

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in

▶ Select the **"Company"** and **'Event Date'** and register with your following details: -

**A. Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No

- Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
- Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
- Shareholders/ members holding shares in **physical form shall provide** Folio Number registered with the Company

**B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Partici pant (DP)/ Company shall use the sequence number provided to you, if applicable.

**C. Mobile No.:** Enter your mobile number.

**D. Email ID:** Enter your email id, as recorded with your DP/Company.

▶ Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction

**C. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING THROUGH INSTAMEET:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:**

Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

**D. INSTRUCTIONS FOR SHAREHOLDERS/ MEMBERS TO SPEAK DURING THE ANNUAL GENERAL MEETING THROUGH (VC) INSTAMEET:**

- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at cssl.investors@cybertech.com from September 9, 2021 (9:00 a.m. IST) to September 13, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company will select the speakers on first come first serve basis. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the Company.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

**<u>Explanatory statement pursuant to the provisions of Section 102 of Companies Act, 2013</u>**

**<u>Item No. 4</u>**

Keeping in view of the vast experience and expertise in IT Industry, commercial negotiations and the involvement in day to day operations of the Company, steering in for a consistent better performance of the Company, the Board of Directors at their Meeting held on July 23, 2021, has proposed the re-appointment of Mr. Ramasubramanian Sankaran, as recommended by the Nomination and Remuneration Committee as a Whole-time Director designated as Executive Director for period of 3 (Three) Years with effect from August 04, 2021 subject to approval of the Members of the Company on the terms and conditions and remuneration within the maximum ceilings as per Section II of Part II of Schedule V to the Companies Act, 2013, as set out herein below:

I. Salary: Not exceeding ₹ 550,000/- per month and Reimbursements, with such annual increment as may be recommended by the Nomination and Remuneration Committee and decided by Board of Directors.

II. Performance Linked Incentive: Mr. Ramasubramanian Sankaran shall also be entitled to performance linked incentive based on the specific goals mutually set and approved by the Board of Directors or any committee of Directors from time to time.

III. Perquisites & Allowances: Perquisites are classified into three parts A, B and C as follows:

**<u>Part A:</u>**

i. Medical Reimbursement: Expenses incurred for self and family incurred in accordance with the rules of the Company.

ii. Leave Travel Allowance: For self and family once in a year incurred in accordance with the rules of the Company.

iii. Fees of clubs: Subject to a maximum of two clubs excluding admission and Life Membership Fees, if any approved by the Board of Directors.

iv. Personal Accident Insurance: The amount of the annual premium at actual if any approved by the Board of Directors.

**<u>Part B:</u>**

Contribution to provident fund, superannuation fund or annuity fund will not be included in computation of ceiling on perquisite to the extent that these either singly or put together are not taxable under the Income Tax Act.

Gratuity: Gratuity payable shall be in accordance with the Company's Scheme as may be applicable or amended from time to time. He shall be entitled to encashment of leave at the end of the tenure as per Company's Policy, as amended from time to time which will not be included in the computation of the ceiling on perquisites.

**<u>Part C:</u>**

The Company shall provide a Car with driver, and mobile, telephone, communication facilities at residence of Executive Director. Provision of Car for use of the Company's business and telephone, communication facilities at residence will not be considered as perquisites. Personal Long distance call and use of car for private purpose shall be billed by Company on the Executive Director.

**<u>OTHERS</u>**

Mr. Ramasubramanian Sankaran shall be entitled to reimbursement of expenses, entertainment, travelling expenses, boarding and lodging and all other incidental expenses in connection with and for the business of Company in India and abroad and will not be deemed/treated as a perquisite. Perquisites shall be evaluated as per Income Tax Rules, wherever applicable or at actual cost.

**ESOP:**

The Members have approved the ESOP Scheme 2014 vide Special Resolution passed at the Nineteenth Annual General Meeting held on Tuesday, September 30, 2014 authorizing the Board of Directors to issue/grant to any single Employee (including any non-executive or Independent Director) during any one year less than 1 % of the issued and paid up Equity Shares of the Company i.e., upto 2,65,21,343 Equity Shares, provided however that the aggregate Securities issued/granted to all the Employees/other persons under the ESOS shall not exceed (5%) five per cent of the existing paid-up Share Capital of the Company as on September 30, 2014, i.e. up to 13,26,067 Equity Shares of the Company. The Board allotted on the basis of the recommendation of the NRC the following ESOPs to Mr. Ramasubramanian S., during his Employment as a Director in whole-time employment (Designated as an Executive Director), as per details given below:

| **ESOP Details** | **FY 2020-21** |
|---|---|
| Outstanding at the beginning | **400,000** |
| Add: Granted during the year | - |
| Less: Exercised during the year | - |
| Less: Forfeited/Surrendred during the year | - |
| Outstanding as at the end | **400,000** |
| **Details of options Exercised during the year:** | |
| During the year under review, No options were exercised by Mr. Ramasubramanian S. | |

**Minimum Remuneration:**

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Executive Director, the payment of salary, performance incentives, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.

Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.

Executive Director shall be entitled to be paid / reimbursed by the Company all costs, charges & expenses including entertainment expenses as may be reasonably incurred by him for the purpose of or on behalf of the Company subject to such ceiling as may be decided by the Board on the recommendation of the Nomination & Remuneration Committee.

If the resolution approving the re-appointment of and remuneration payable to the Executive Director is passed by the members by way of a special resolution, the maximum ceiling on remuneration per annum would be ₹ 40,000,000/- (Rupees Four Crores only). The scope and quantum of remuneration and perquisites along with ceiling limits specified above herein may be enhanced, enlarged, widened, altered or varied by the Board of Directors as may be necessary considering any change in Market price of Shares/options outstanding in light of and in conformity of the Companies Act and or/ the rules and regulations made thereunder and/ or such guidelines as may be announced by Central Government from time to time.

The following additional information as required by Section II of Part II of Schedule V to the Companies Act, 2013 is given below:

I. **General Information:**

1) **Nature of Industry:**

   Information Technology

2) **Date or expected date of Commencement of Commercial production:**

   The Company was incorporated on January 19, 1995 and commenced its commercial production in the same financial year.

3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

   Not Applicable

4) **Financial performance based on given indicators - as per audited standalone financial results for the year ended March 31, 2021:**

| **Particulars** | **₹ in Million** |
|---|---|
| Income from Operations | 678.04 |
| Other Income | 55.09 |
| Total Expenses | 632.47 |
| Net Profit as per Profit & Loss Account (after tax) | 156.90 |
| Profit as computed under Section 198 of the Companies Act, 2013 | 122.52 |
| Net worth | 1092.42 |

5) **Foreign Investment or collaborations, if any:**

The Company has investment in its overseas subsidiaries i.e. CyberTech Systems and Software Inc. U.S.A and Spatialitics LLC, USA

**II. Information about the appointee**

1) **Background Details:**

Mr. Ramasubramanian Sankaran, 55, is a graduate in Commerce and has been associated with CyberTech for past 25 years

2) **Past Remuneration:**

The total remuneration drawn by Mr. Ramasubramanian Sankaran during the Financial Year 2020-21 was ₹ 76.14 Lakhs inclusive of perquisites calculated as per provisions of Income Tax Act 1961.

3) **Job profile and his suitability:**

He has been associated with CyberTech for past 25 years. He has considerable experience in IT industry operations, Finance, Taxation and Administration.

4) **Remuneration proposed:**

Remuneration payable to Mr. Ramasubramanian Sankaran has already been mentioned in the explanatory statement above.

5) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the qualifications, experience and expertise of Mr. Ramasubramanian Sankaran, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

6) **Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any:**

Mr. Ramasubramanian Sankaran neither has any pecuniary relationship directly or indirectly with the company nor related to any Director or Key Managerial Personnel or Promoters of the Company.

**III. Other Information**

i) **Reasons for loss or inadequate profits:**

Though the Company is achieving profits, but the same could be considered as inadequate and considering the managerial personnel's abilities, rich experience and qualifications, and in order to retain such talents, the Company would be required to compensate adequately in commensuration for a better performance and the ceiling on remuneration based on the Profit achived by the Company could be considered as inadequate.

ii) **Steps taken or proposed to be taken for improvement:**

In line with the strategy to invest in the development of Cloud-based Spatial Analytics Platforms, Spatialitics LLC, a new wholly owned subsidiary of CyberTech in USA has been incorporated. This strategic step will help us focus on growth opportunities in the US market related to Solutions and Platforms for Spatial Analytics and to hold our Intellectual Property created in connection with these activities. With our Spatial Analytics platform, our focus is to make our products available and sold through our strategic and channel partners.

**iii) Expected increase in productivity and profits in measurable terms:**

The above measures undertaken are expected to yield positive results and improve the financial performance of the Company in the coming years.

**IV. ADDITIONAL REQUIREMENTS AS PER SECRETARIAL STANDARD -2**

| | |
|---|---|
| **Date of Previous Appointment on the Board** | August 04, 2018 |
| **Shareholding as on March 31, 2021** | Nil |
| **Number of Meetings of the Board attended during the year** | Four (4) |
| **Other Directorships** | Nil |
| **Membership/ Chairmanship of Committees** | Two (Includes membership in Stakeholders Relationship Committee and Corporate Social Responsibility Committee) |

Except Mr. Ramasubramanian Sankaran, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the said resolution except to the extent of the shareholding in the Company, if any.

The Board of Directors of your Company recommends the resolution as set out under Item No.4, in relation to the re-appointment and remuneration paid to Mr. Ramasubramanian Sankaran as an Executive Director, for the approval of the shareholders of the Company, to be passed as a Special Resolution.

Copy of all the documents mentioned herein above would be available between 11 am to 1pm on all working days other than Saturdays, Sundays and declared holidays at the Registered Office of the Company for inspection by the shareholders upto the date of the Annual General Meeting of the Company. In the wake of continuing Covid-19 pandemic, our employees continue to work from home, hence we request the shareholders to mail the request for inspection on our email ID cssl.investors@cybertech.com. Since our employees continue to work from home, shareholders are requested to strictly mail their queries before hand.

**By Order of the Board of Directors of**
**CyberTech Systems and Software Limited**

**sd/-**
**Sarita Leelaramani**
Company Secretary and Compliance Officer
Membership No. A35587

Place : Thane
Date : July 23, 2021

**Registered Office:**
CyberTech House, Plot No. B-63/64/65
Road No. 21/34, J.B. Sawant Marg, MIDC
Wagle Estate, Thane (W) – 400 604
**CIN: L72100MH1995PLC084788**
**Tel: +91 22-4283-9200 | Fax: +91-22-4283-9236**
**Website: www.cybertech.com**
**E-mail: cssl.investors@cybertech.com**

# BOARD'S REPORT

**To**
**The Members of CyberTech Systems and Software Limited**

Your Directors have pleasure in presenting the 26th Annual Report on the business and operations of your Company together with the Audited Financial Statements and the Auditors' Report for the Financial Year ended March 31, 2021.

**FINANCIAL RESULTS:**

The financial performance of your Company for the year ended March 31, 2021 is summarized below: -

**(₹ in Millions)**

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | **2020-21** | **2019-20** | **2020-21** | **2019-20** |
| Gross Revenue | **1,247.85** | 1191.60 | **733.14** | 683.48 |
| Profit before Interest & Depreciation | **297.20** | 245.19 | **159.34** | 185.89 |
| Finance costs | **3.50** | 5.06 | **2.40** | 4.86 |
| Depreciation | **66.70** | 63.38 | **56.28** | 43.77 |
| Profit before tax | **227.00** | 176.75 | **100.66** | 137.26 |
| Tax Expense | **(13.88)** | 44.51 | **(56.25)** | 31.35 |
| Profit after tax | **240.88** | 132.24 | **156.91** | 105.91 |
| Other comprehensive income (net of taxes) | **(10.01)** | 8.69 | **(3.29)** | (3.40) |
| Total comprehensive income for the year | **230.87** | 140.93 | **153.62** | 102.51 |

**FINANCIAL PERFORMANCE OVERVIEW**

***CyberTech Consolidated Financial Performance:***

- The Company registered total income of ₹ 1,247.9 million for the year ended March 31, 2021 as compared to ₹ 1,191.6 million for the year ended March 31, 2020, reflecting an increase of 4.7%.
- Operating revenue for the year under review was ₹ 1,178.0 million as compared to ₹ 1,128.2 million in the previous year, reflecting an increase of 4.4%.
- The Company reported EBITDA of ₹ 297.2 million for the year ended March 31, 2021 as compared to ₹ 245.2 million for the year ended March 31, 2020, reflecting an increase of 21.2%.
- EBITDA Margin for the year under review was 23.8% as compared to 20.6% in the previous year, reflecting an increase of 320 bps.
- The company earned a net profit of ₹ 240.9 million for the year ended March 31, 2021 as compared to profit of ₹ 132.2 million for the year ended March 31, 2020, reflecting an increase of 82.2%.
- This growth can be attributed to growth in US business which constitutes 94% of our revenue.
- Our Company reported a Comprehensive income of ₹ 230.9 million for the year under review as compared to ₹ 140.9 million in the previous year, reflecting an increase of 63.9%.

***CyberTech Standalone Financial Performance:***

- The Company registered total revenue of ₹ 733 million for the year ended March 31, 2021 as compared to ₹ 683.5 million for the year ended March 31, 2020, reflecting an increase of 7.2%.
- Operating revenue for the year under review was ₹ 678.0 million as compared to ₹ 621.5 million in the previous year, reflecting an increase of 9.1%.
- The profit after tax for the year under review was ₹ 156.9 million as against ₹105.9 million in the previous year, reflecting an increase of 48.2%.
- The Comprehensive income for FY21 was ₹ 153.6 million as compared to ₹ 102.5 million in FY20, reflecting an increase of 49.9%.

**DIVIDEND AND RESERVES**

Your Directors are pleased to recommend a dividend @10% (₹ 1/- per Equity Share of ₹10/- each) for the Financial Year 2020-21, subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, the total dividend payout for the year under review will be amounting to ₹ 27.6 Million.

No amount was transferred to General Reserves for the year under review.

**CONSOLIDATED FINANCIAL STATEMENTS**

Our Company has adopted and implemented Indian Accounting Standards ("Ind AS"), in accordance with Companies (Indian Accounting Standards) Rules, 2015 with effect from April 01, 2017 as prescribed by Ministry of Corporate Affairs, Government of India vide circular dated February 16, 2015.

The consolidated financial statements of the Company, including its wholly owned US subsidiaries are prepared in accordance with Ind AS 110 (Consolidation of Accounts) as prescribed by the Institute of Chartered Accountants of India and in compliance with the terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR), Regulations, 2015], as amended from time to time. Together, these comprise part of the Annual Report and Accounts. The summarized consolidated results are given alongside the financial results of your Company.

**WHOLLY OWNED SUBSIDIARIES IN USA**

The Company owns 100% interest in CyberTech Systems and Software Inc., USA (CSSI), and Spatialitics LLC, USA, the results of the said subsidiaries are consolidated herein.

The Statement in Form AOC-1 containing salient features of the financial statements of Company's Subsidiaries is attached as ***Annexure I*** to the financial statements of the Company.

**BUSINESS OPERATIONS OVERVIEW AND OUTLOOK**

In 2020, the Covid-19 pandemic impacted the growth across industries and sectors around the globe and CyberTech was no exception to it. However, at the start of 2021, businesses started coming back to normalcy aided by a speedy vaccination rollouts and increased demand momentum. The pandemic has accelerated the pace of cloud transformation across the globe, which is the core focus area for Cybertech and thus creating huge opportunities for the company. Cloud transformation market has observed phenomenal growth over past 2-3 years and is set to grow manifold by 2030. The Company witnessed growth in most of the key verticals and industries it operates. Cloud revenues are at the centre of our growth.

Cloud and digital transformation have become a necessity in this pandemic era. The cloud industry is projected to see huge growth and our Company's strategy is focused towards enterprise cloud transformation; and we are perfectly positioned to be part of this growth.

SAP® continues to play a key role in our cloud transformation strategy. Our HANA GeoDB migration offerings continued to gain traction through our partnership with the SAP® Database Migration Factory.

Our Managed ArcGIS Cloud Services offerings are gaining substantial growth traction. The Company won three deals during the year. These deals ensure substantial recurring revenue over a long period of time. We are in the advance stages of discussion with several other potential customers. Our industry leading offering is unique due to the depth of our experience in providing security expertise coupled with cloud management.

Our deal pipeline is strong for our three key offerings - SAP® S/4HANA and SAP® Cloud Offerings, Managed ArcGIS Cloud Services and Spatialitics Cloud Software Solutions. We will continue to invest in these offerings as well as our digital marketing capabilities that have started helping us in demand generation. We will continue to invest in acquiring talent and building a world-class digital work environment that will help our workforce to deliver from anywhere, without making any compromise on the quality.

Our US-based subsidiary, Spatialitics LLC is growing and is cloud native. The newer version of Spatialitics GeoShield product is capable of integrating multiple disparate data sources, including video camera streams coming from different camera sources, on a real time basis.

We are witnessing strong demand from our existing as well as new customers for GeoShield products. Spatialitics Utilities and Spatialitics Health product suites are also seeing increased demand. We are in discussion with various US water utilities about implementing Spatialitics Utilities product suite.

Our ongoing strategy of building and nurturing long standing relationships with our customers helped us to deliver solid results in these uncertain times. FY2021 revenue stood at ₹ 1,248 million. EBITDA grew by 21% to ₹ 297 million and PAT grew by 82% to ₹ 241 million. The performance demonstrates the operational efficiency and maturity that the company accomplished over the past year. We retained our strong balance sheet with no debt and continue to generate decent cash flow.

The United States continued to be the major revenue contributor with a contribution of 94% towards operating revenue while 6% accounted for India. We are proud to have been a Gold Sponsor for the Esri Infrastructure Management and GIS (IMGIS) Conference this year. And in terms of strategic alliances and partnership, CyberTech continues to work with existing alliances such as SAP®, Microsoft®, and Esri®. It is expected that with the help of these alliances and partnerships, Company will continue to lead business and revenue growth and increasing profitability with a continued focus on offshore revenue going forward.

Our CyberTech colleagues are responsible for achieving these results in such an uncertain year. We believe that human capital is the greatest asset, and we will continue to take measures to attract, nurture and retain talent.

**RESPONSE TO COVID-19**

a. **Health and safety**

At CyberTech, our top priority is to ensure health and well-being of all our stakeholders.

b. **Employees**

- Vaccination drives organised at Thane and Pune locations for our employee well-being and safety.
- Covid Helpline - Continuous engagement with employees through multiple communication channels and educating people on maintenance of safety and social distancing during the pandemic and constant support throughout the COVID disruption, including safety trainings.

c. **Ensuring Business Continuity for Customers**

In response to the lockdowns, the Company created COVID-19 response task force to support our customers in March 2020 and to ensure business continuity working remotely from the safety of homes and providing uninterrupted support services to customers worldwide. We are pleased to report that we have graduated from "Work from Home" to "Engaged and Successful from Home".

**SHARE CAPITAL**

During the year under review, the Company has:

Issued and allotted 83,500 Equity Shares under Employee Stock Option Scheme (ESOP) to the employees of the Company and its subsidiary company. As a result of the above allotment, the paid-up Share capital of the Company increased from ₹ 275,155,930/- comprising of 27,515,593 Equity Shares of ₹ 10/- each as on March 31, 2020 to ₹ 275,990,930/- comprising of 27,599,093 Equity Shares of ₹ 10/- each as on March 31, 2021. The said allotment resulted in increase of Securities Premium account of the Company by ₹ 14.86 lakhs.

The Board of Directors at their meeting held on May 13, 2021 during FY 2021-22 allotted 37,200 equity shares to the employees on exercise of their employee stock options under ESOP Scheme of the Company. Post this allotment, paid-up share capital of the Company increased to ₹ 276,362,930/- (2,76,36,293 Equity Shares of ₹ 10 each).

The Company has not issued any shares with differential voting rights or by way of rights issue or Sweat Equity shares. Further, it has not provided any money to its employees for purchase of its own shares hence the Company has nothing to report in respect of Rule 4(4) and Rule 16 of the Companies (Share Capital & Debentures) Rules, 2014

**DEPOSITS:**

During the year under review, no deposits were accepted by the Company within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All transactions entered into with the Related Parties in terms of Section 2(76) and Section 188 of the Companies Act, 2013, Rules issued thereunder read with Regulation 2(zc) and Regulation 23 of the SEBI (LODR) Regulations, 2015, during the Financial Year were in the nature exempted, being transactions between the Company and its 100% Subsidiaries or in accordance with the approval obtained from the Members of the Company, as the case may be. During the Financial Year 2020-21, the Company did not enter into materially significant transactions with Promoters, Key Managerial Personnel or other related parties. The details of the related party transactions as required under Ind AS-24 are set out in Note No. 36 to the consolidated financial statements forming part of this Annual Report and disclosed vide form AOC-2 has been appended as ***Annexure II***, pursuant to Section 134(3)(h) of the Companies Act, 2013 and rules made thereunder.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website and can be accessed at *http://www.cybertech.com/investors/corporatepolicies.aspx.* The policy on Related Party Transactions is reviewed at regular intervals in accordance with Regulation 23 of the SEBI (LODR), Regulations, 2015.

**PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEE GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not granted any loan, guarantee or provided securities to any person. The Company has not made any investment, other than in its wholly owned subsidiaries. The details of which are given in the Notes to Financial Statements.

**RISK MANAGEMENT**

Your Company recognizes that risk is an integral part of any business and is committed to manage the risk in a proactive and efficient manner. Your Company has Risk Management Policy in place. The Policy provides for a risk management framework to identify and assess all kinds of risks, such as operational, strategic, resources, security, industry, regulatory & compliance and other risks, and put in place an adequate risk management infrastructure capable of addressing these risks. The risk management process is regularly reviewed to refine the processes and incorporate evolving best practices.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in ***Annexure III*** forming part of this Report.

**MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES**

In accordance with Section 178 and other applicable provisions of the Companies Act, 2013 read with the Rule 6 of the Companies (Meeting of Boards and its Powers) Rules, 2014 issued thereunder, the Board of Directors at their meeting held on September 30, 2014 formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee and further aligned with the Regulation 19 of the SEBI (LODR) Regulations, 2015. The salient aspects covered in the Nomination and Remuneration Policy with respect to the appointment and remuneration of Directors, Key Managerial Personnel, Senior Management and other matters have been outlined in the Corporate Governance Report, which forms part of this Report.

**DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment has been rolled out and the Internal Committee (ICC) as per legal guidelines has been set up at respective offices of the Company. All employees (permanent, contractual, temporary, trainees) and applicable complainant(s) are covered under this policy. This policy allows employees to report sexual harassment, if any, at the workplace and the Company conducts regular awareness programs in this regard. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. Further the Company conducts awareness programme at reqular interval of time.

During the year 2020-21, **no complaints** were received from our offices in Thane & Pune in connection with Sexual harassment.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the financial year under review, as stipulated under Regulation 34 of SEBI (LODR) Regulations, 2015 is presented in a separate section forming part of the Annual Report.

**CORPORATE GOVERNANCE**

In terms of Regulation 34 of the SEBI (LODR) Regulations, 2015, a separate report on Corporate Governance is provided together with a Certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance. A Certificate of Compliance of Code of Conduct, Certificate of the CFO of the Company in terms of SEBI (LODR) Regulations, 2015, inter alia, confirming the correctness of the financial statements and cash flow statements, adequacy of the internal control measures and reporting of matters to the Audit Committee and Certificate of Non-Disqualification of Directors are also enclosed as ***Enclosure I, II and III*** respectively with Report of Corporate Governance.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Mr. Steven Jeske, Director of the Company, retires by rotation at the ensuing Annual General Meeting, pursuant to the provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible, has offered himself for re-appointment. The brief resume of Mr. Steven Jeske and other information under Regulation 36 of the SEBI (LODR) 2015 with respect to the Director seeking re-appointment has been provided in the Notice convening 26$^{th}$ AGM. Your Directors recommend his re-appointment.

Pursuant to the provisions of Section 149 of the Act, Mr. M.P. Bharucha, Mr. Sudhir Joshi, Dr. N L Sarda, Dr. Shreepad Karmalkar and Ms. Angela C. Wilcox, the Independent Directors of the Company have submitted a declaration that each of them meets with the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status to continue as an independent director on the Board of Directors of the Company.

The members of the Company at the 24$^{th}$ Annual General Meeting vide special resolution(s), pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, re-appointed Mr. M.P. Bharucha, Mr. Sudhir Joshi, Dr. N L Sarda and Dr. Shreepad Karmalkar, Independent Directors of the Company for further period of five years commencing from September 29, 2019 to September 28, 2024.

Our Secretarial Auditor M/s. S. Anantha & Ved LLP (LLP IN : AAH 8229), Company Secretaries have certified that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority. The Certificate to this effect has been enclosed as ***Enclosure III*** to the Report on Corporate Governance.

The Ministry of Corporate Affairs, with the objective of strengthening the institution of Independent Directors, has launched the Independent Directors Databank on December 01, 2019 in accordance with the provisions of the Companies Act, 2013 by notification of Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. This is to confirm that all the Independent Directors have registered themselves pursuant to said Notification.

Mr. Sudhir Joshi, Independent Director of the Company is also appointed on the Board of CyberTech Systems & Software Inc., USA, and Spatialitics LLC, USA, wholly-owned subsidiaries of the Company with effect from April 01, 2019, pursuant to amended regulation 24 (1) of SEBI (LODR) Regulations, 2015.

Presently, Mr. Ramasubramanian Sankaran, Executive Director, Mr. Praveen Agarwal – Chief Financial Officer and Ms. Sarita Leelaramani, Company Secretary & Compliance Officer, are the Key Managerial Personnel of your Company in accordance with the provisions of sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The existing term of the appointment of Mr. Ramasubramanian Sankaran, as an Executive Director of the Company would lapse on August 04, 2021. The consent of the Members will be sought for his re-appointment on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company at the ensuing Annual General Meeting of the Company.

**NUMBER OF MEETINGS OF THE BOARD**

During the year under review, four (04) Board Meetings were held viz. June 17, 2020; August 12, 2020; November 11, 2020; and February 11, 2021. The details of the meetings of the Board and its committees are set out in the Corporate Governance Report which forms part of this Report. In terms of requirements of Schedule IV of the Companies Act, 2013, a separate meeting of Independent Directors was held on March 08, 2021 primarily to evaluate, performance of non-independent directors, the Chairman of the Company and the board as a whole, taking into account the views of executive directors and non-executive directors.

**PERFORMANCE EVALUATION OF DIRECTORS**

In terms of the provisions of the Companies Act, 2013 read with Rules issued thereunder and the SEBI (LODR) Regulations, 2015, the Board of Directors has carried out the annual performance evaluation of the entire Board, Committees and all the Directors based on the criteria laid down by the Nomination and Remuneration Committee.

In compliance with the requirements under Regulation 25(3) of Securities and Exchange Board of India (LODR) Regulations, 2015, a meeting of Independent Directors was held on March 08, 2021 primarily to evaluate, performance of non-independent directors, the Chairman of the Company and the board as a whole, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

The annual performance evaluation of the entire Board, Committees and all the Directors are based on the criteria laid down by the Nomination and Remuneration Committee, was conducted at the Board Meeting held on February 11, 2021.

**AUDIT COMMITTEE**

The Audit Committee of the Board of Directors of the Company is duly constituted in accordance with the provisions of Sections 177 (8) of the Companies Act, 2013, read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015, which consists of the following Members:

| S. No. | Name | Designation |
|---|---|---|
| 1 | Mr. Sudhir Joshi | Chairman, Independent Director |
| 2 | Dr. N.L. Sarda | Member, Independent Director |
| 3 | Dr. Shreepad Karmalkar | Member, Independent Director |

All the recommendations of the Audit Committee during the year were accepted by the Board of Directors of the Company. For further details, please refer the Corporate Governance Report forming part of the Annual Report.

**VIGIL MECHANISM**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns or grievances about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The vigil mechanism also provides adequate safeguards against victimization of persons who use such mechanism. The said policy has been uploaded on the website of the Company *http://www.cybertech.com/investors/corporate_policies.aspx*

**COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS**

A brief extract on the Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which is a part of this report.

**DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 (3)(C) AND SECTION 134 (5) OF THE COMPANIES ACT, 2013**

In terms of Section 134(3) (c) of the Companies Act, 2013, to the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors state and confirm that:

i) in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards read with the requirements set out under Schedule III to the Act, have been followed along with proper explanation relating to material departures, if any;

ii) such accounting policies as mentioned in the notes to the Financial Statements for the year ended March 31, 2021 have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the Profit of the Company for the year ended on that date;

iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual financial statements for the year ended March 31, 2021 have been prepared on a going concern basis;

v) proper internal financial controls are followed by the Company and that such financial controls are adequate and are operating effectively; and

vi) proper systems to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

**STATUTORY AUDITORS**

M/s. Bagaria & Co. LLP, Chartered Accountants, (Firm Registration No.: 113447W) have been appointed as Statutory Auditors of the Company for a period of 5 (Five) years, from the conclusion of 22$^{nd}$ Annual General Meeting till the conclusion of 27$^{th}$ Annual General Meeting by the shareholders of the Company.

The Statutory Auditors have confirmed their eligibility and necessary certificates as required under the Act have been received from them.

Pursuant to notification of the Companies (Amendment) Act, 2017, on May 7, 2018, the requirement of ratification of appointment of the Statutory Auditors by the members is no longer required. Details of fees paid to the statutory auditors are provided under the Corporate Governance Report.

With respect to all entities in the network firm/network entity of which the statutory auditor is a part: **None**

**AUDITOR'S REPORT**

During the Financial Year under review there are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors on the financial statements of the Company.

The Statutory Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment for the time being in force).

**INTERNAL AUDITORS**

Pursuant to the provisions of Section 138 of the Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, the Board of Directors had appointed M/s. Desai Associates, Chartered Accountants, (Firm Registration No. 102286W) as Internal Auditors of the Company for F.Y. 2020-21 and their reports were reviewed by the Audit Committee and the Board on periodical basis.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed M/s. S. Anantha & Ved LLP (LLP IN : AAH 8229), Company Secretaries, Mumbai as Secretarial Auditors, to conduct the Secretarial Audit of the Company for F.Y. 2020-21. The Secretarial Audit Report is annexed herewith as ***Annexure IV*** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, disclaimer or adverse remark.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

Pursuant to the requirement of Regulation 25 (7) of the SEBI (LODR) Regulations, 2015, the Company needs to formally arrange Familiarization Programme for Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details are mentioned in the Report on Corporate Governance, which forms part of this annual report.

**ANNUAL RETURN**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013 the Annual Return as on March 31, 2021 is available on the Company's website *https://www.cybertech.com/investors/annualReturns.aspx*

**CORPORATE SOCIAL RESPONSIBILITY**

Your Company always believes in operating and conducting its business in a socially responsible way. This belief forms the core of the CSR policy of the Company to focus on holistic development of its host community and immediate social and environmental surroundings qualitatively. Hence, in accordance with the requirements of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee"). The composition and terms of reference of the CSR Committee are provided in Corporate Governance Report. The Company has framed its CSR policy, which is available at *http://www.cybertech.com/investors corporate_policies.aspx* Annual Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time has been appended as ***Annexure V*** to this report. During the year under review, the Company has spent ₹ 14.55 Lakhs towards Corporate Social Responsibility.

**INTERNAL FINANCIAL CONTROLS WITH RESPECT TO THE FINANCIAL STATEMENTS**

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorization of transactions, safeguarding the assets of the Company and prevent misuse/ losses and legal compliances. The comprehensive Internal Financial Control policy along with the effective Internal Audit System help the Company in achieving orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Internal control system includes a well-defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well-structured budgeting process with regular monitoring of expenses and Internal audit.

The Internal Audit reports are periodically reviewed by the management and the Audit Committee, and necessary improvements are undertaken, if required.

**PARTICULARS OF EMPLOYEES**

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are also provided in ***Annexure VI*** of the Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided in the Report and forms part of this Report. However, having regard to the provisions of the first proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company as the said information is available for inspection at the registered office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary at *cssl.investors@cybertech.com* and the same will be furnished on request.

**SIGNIFICANT OR MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS WHICH IMPACT THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations for the Financial Year 2020-21.

**SECRETARIAL STANDARDS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI)**

The Company complies with the Secretarial Standards issued by ICSI.

**EMPLOYEES STOCK OPTION PLAN (ESOP)**

During F.Y. 2020-21, there has been no change in the Employee Stock Option Plan, 2014 of the Company. The "Employee Stock Options Plan 2014" is valid for a period of 7 (seven) years i.e. till September 30, 2021, and further renewal of the existing scheme is not recommended by Nomination & Remuneration Committee. Hence the new scheme, as and when recommended by the Nomination and Remuneration Committee and approved by the Board of Directors shall be placed before the shareholders for their approval.

Meanwhile the Stock options already granted under the existing scheme to the employees of the Company shall stay in force as per the terms & conditions of the scheme as approved by the shareholders at the 19th AGM of the Company. Disclosures pertaining to the ESOP Scheme pursuant to the SEBI (Share based Employee Benefits) Regulations, 2014 are provided as ***Annexure VII***.

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In terms of the provisions of Section 124 (6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Equity Shares held by the shareholders in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years has to be or more compulsorily transferred to the DEMAT account of the IEPF Authority by the Company within 30 days from the due date. Accordingly, 11,020 Equity Shares were transferred to the Authority's DEMAT Account with NSDL.

The Company has uploaded complete details of such shares on its website http://www.cybertech.com/investors/unclaimedShares.aspx

Also, Shareholders whose names are appearing in the list in the aforesaid link shall claim refund from IEPF Authority by accessing the link :

http://www.iepf. gov.in/IEPFA/refund.html and filling out the e-Form IEPF-5. The shareholders are requested to seek professional help while filling e-Form IEPF-5.

There are no Equity shares lying in suspense account/ unclaimed suspense account.

**DISCLOSURE UNDER SECTION 134 (3) (I) OF THE ACT**

Except as disclosed elsewhere in the report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year of the Company and date of the report.

**GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items, as there were no transactions on these items during the year under review, or the said items are not applicable to the Company:

1. Cost Audit;
2. Issue of equity shares with differential rights as to dividend, voting or otherwise; and
3. There are no material changes and commitments affecting the financial position of the Company which have occurred in the financial year 2020-21.

**ANNEXURES FORMING PART OF BOARD'S REPORT**

The Annexures referred to in this Report and other information which are required to be disclosed are annexed herewith and form part of this Report

| Annexure | Particulars |
|---|---|
| I | Form AOC-1, Particulars of Subsidiary |
| II | Form AOC-2 , Disclosure of particulars of contracts/arrangements entered into by the company with related parties |
| III | Information with respect of energy conservation, technology absorption, foreign exchange earnings and outgo |
| IV | Form MR-3, Secretarial Audit Report |
| V | Report on Corporate Social Responsibility |
| VI | Particulars of employees, Disclosure pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 |
| VII | ESOP Disclosure |

**CAUTIONARY STATEMENT**

Statements in the Boards' Report and the Management Discussion & Analysis Report, describing the Company's objectives, expectations or forecasts may be forward-looking, within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions of Information Technology related services, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation and sincere gratitude to the various departments of the Central and State Government(s), Company's Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors also record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

**For and on behalf of the Board of Directors**
**CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose, PA
Date : May 13, 2021

**ANNEXURE -I**

# FORM AOC-1

**Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules 2014 in the prescribed Form AOC-1 relating to subsidiary Company**

| Name of the Subsidiary | CyberTech Systems and Software Inc. USA | Spatialitics LLC, USA |
|---|---|---|
| Reporting period of subsidiary | April 01, 2020 to March 31, 2021 | April 01, 2020 to March 31, 2021 |
| Reporting Currency | USD | USD |
| Exchange Rate | 73.105 | 73.105 |
| | (Amount in '₹') | (Amount in '₹') |
| Share Capital | 110,816,214 | 43,863,000 |
| Reserves and Surplus | 175,832,965 | (78,787,808) |
| Total Assets | 646,508,004 | 13,883,117 |
| Total Liabilities | 646,508,004 | 13,883,117 |
| Investments | 282,224,386 | - |
| Turnover | 1,110,128,056 | 10,608,237 |
| Profit/(Loss) before Tax | 151,161,827 | (24,973,809) |
| Provision for Taxation | 42,372,381 | - |
| Profit/(Loss) after taxation | 108,789,446 | (24,973,809) |
| % of shareholding | 100% | 100% |
| Country | United States of America | United States of America |

**For Bagaria & Co. LLP**
**Chartered Accountants**
Firm Registration Number - 113447W/W-10019

**Sd/-**
**Vinay Somani**
Partner Executive
M. No. 143503

Place : Mumbai
Date : May 13, 2021

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Ramasubramanian Sankaran**
Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

Place : Thane
Date : May 13, 2021

## ANNEXURE-II

# FORM AOC-2

### (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto..

1. Details of contracts or arrangements or transactions not at Arm's length basis: **Not Applicable**

2. Details of contracts or arrangements or transactions at Arm's length basis:

**(₹ In Lakhs)**

| Sr. No. | Particulars | Details | | | | |
|---|---|---|---|---|---|---|
| a) | Name (s) of the related party & nature of relationship | CyberTech Systems and Software Inc. USA, (Wholly owned subsidiary) | Spatialitics LLC, USA (Wholly owned subsidiary) | | Mr. Vish Tadimety– Chairman & Non-Executive Director | Mr. Steven Jeske – Non-Executive Director |
| b) | Nature of contracts/arrangements/ transaction | Sale of services | Purchase of services | Overseas Direct Investment | Remuneration* | Remuneration* |
| c) | Duration of the contracts/ arrangements/ transaction | Ongoing | Ongoing | N. A. | Ongoing | Ongoing |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | 6,000.78 | 57.44 | 146.67 | 284.54 | 213.41 |
| e) | Date of approval by the Board | May 13, 2021# | May 13, 2021# | October 07, 2020 | August 12, 2019 | August 12, 2019 |
| f) | Amount paid as advances, if any | - | - | - | - | - |

* Shareholders' approval was obtained in 24th Annual General Meeting held on September 27, 2019.

# Transactions with wholly owned subsidiaries (WoS) are at arm's length basis and hence exempted from approval under provisions of Companies Act, 2013 and applicable SEBI regulations. But, as a matter of good governance practice, the Audit Committee and the Board of Directors of the Company takes note of Related Party transactions with WoS on quarterly basis.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose, PA, USA
Date : May 13, 2021

**ANNEXURE-III**

# INFORMATION IN RESPECT OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

**Information under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors Report for the Year ended March 31, 2021**

## A) CONSERVATION OF ENERGY:

Your company consumes electricity only for the operation of its computer and administration of its offices. Though the consumption of electricity is negligible as compared to the total turnover of the company, your company always endeavors to take effective steps to reduce the consumption of electricity.

| | | |
|---|---|---|
| a) | The steps taken or impact on conservation of energy | N.A. |
| b) | The steps taken by the company for utilizing alternate sources of energy | N.A. |
| c) | The capital investment on energy conservation equipment's | N.A. |
| d) | Expenditure on R&D | N.A. |

## B) TECHNOLOGY ABSORPTION:

| | | |
|---|---|---|
| a) | Efforts made towards technology absorption | N.A. |
| b) | Benefits derived like product improvement, cost reduction, product development or import substitution | N.A. |
| c) | Information regarding Imported Technology | N.A. |
| d) | Expenditure on Research and Development | Nil |

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

| | As on March 31, 2021 | As on March 31, 2020 |
|---|---|---|
| Activities relating to exports initiative taken to increase exports, development of new exports, development of new export market for products, services and export plans:<br>Statement of expenditure/earnings incurred in Foreign Currency: | As detailed in the Report | As detailed in the Report |
| **Statement of expenditure/earnings incurred in Foreign Currency:** | | |
| **Outgo** | **(₹ In Lakhs)** | **(₹ In Lakhs)** |
| Dividend | 108.78* | 138.56 |
| Travel Expenses and other expenses | - | 12.06 |
| **Income** | | |
| Income from Information Technology services | 6159.61 | 5,454.04 |

* Dividend paid for FY 2019-20 on October 26, 2020 are net of taxes as per relevant provisions of Income Tax Act, 1961 and rules made thereunder, and as per the relevant provisions of Finance Act, 2020.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose, PA, USA
Date : May 13, 2021

**ANNEXURE- IV**

# FORM MR-3
# SECRETARIAL AUDIT REPORT

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

## FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

To
The Members
CyberTech Systems and Software Limited
CyberTech House B-63-64-65
MIDC Wagle Estate J.B. Sawant Marg
Thane – 400 604

We have conducted the Secretarial Audit of the Compliance of Applicable Statutory provisions and the adherence to good corporate practices by CyberTech Systems and Software Limited having CIN: L72100MH1995PLC084788 (hereinafter called 'the Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; and
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (***Not Applicable,*** *as there was no event during* the year under review);
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (***Not Applicable,*** *as there was no event during* the year under review);
   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (***Not Applicable****, as there was no event during* the year under review);
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (***Not Applicable,*** *as there was no event during* the year under review); and
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (***Not Applicable,*** *as there was no event during* the year under review).
(vi) Other laws applicable specifically to the Company:
   a) The Trade Marks Act, 1999; and
   b) The Information Technology Act, 2000

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and
(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

**We further report that**

Based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of compliance reports by the respective Department Heads / Company Secretary / CFO / KMP taken on record by the Board of Directors of the Company, in our opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws like labour laws, competition law, environmental laws and all other applicable laws, rules, regulations and guidelines. The Company has responded to compliance requirements, notices for demands, claims, penalties etc. levied, by statutory/regulatory authorities and initiated actions for corrective measures and compliance thereof.

**We further report that** the compliance by the Company of applicable financial laws, like direct and indirect tax laws, and Labour Law Compliances has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

**We further report that**

Adequate notice is given to all Directors to schedule the Board Meetings along with the agenda generally at least seven days in advance and detailed notes on agenda were sent well in advance before the meeting and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** during the audit period the following are the major events, carried out by the Company and complied with the necessary requirements.

a. Allotment of 28,000 Equity Shares at grant price of ₹ 11.34 each to eligible employee as per ESOP Scheme 2007 on June 17, 2020;
b. Allotment of 20,250 Equity Shares at grant price of ₹ 36.10 each to eligible employee as per ESOP Scheme 2014 on November 11, 2020; and
c. Allotment of 35,250 Equity Shares at grant price of ₹ 36.10 each to eligible employee as per ESOP Scheme 2014 on February 11, 2021;

**We further report** that during the year under review, there were **no events** viz

i) Public / Right / Sweat Equity Shares;
ii) Redemption / Buy-back of securities.
iii) Major decisions taken by the members pursuant to Section 180 of the Companies Act, 2013;
iv) Merger / amalgamation / reconstruction, etc; and
v) Foreign technical collaborations; or such other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having any bearing on the Company's affairs.

**For S. Anantha & Ved LLP**
**(LLP IN: AAH 8229)**
**Company Secretaries**

**Sd/-**
**Sachin Sharma**
Designated Partner
ACS: 46900
CP No.: 20423
UDIN: A046900C000295698

Place : Jodhpur
Date : May 13, 2021

**Note: This report should be read with letter of even date by the Secretarial Auditors**

# ANNEXURE TO SECRETARIAL AUDIT REPORT

To
The Members
CyberTech Systems and Software Limited
CyberTech House B-63-64-65
MIDC Wagle Estate J.B. Sawant Marg
Thane – 400 604

**Our report of even date is to be read along with this letter.**

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP**
**(LLP IN: AAH 8229)**
**Company Secretaries**

**Sd/-**
**Sachin Sharma**
Designated Partner
ACS: 46900
CP No.: 20423

Place : Jodhpur
Date : May 13, 2021

**ANNEXURE-V**

## ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief outline on CSR Policy of the Company.**

In compliance with the amendments in the various provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued by the Ministry of Corporate Affairs vide its notification dated January 22, 2021, the Company had amended the Corporate Social Responsibility (CSR) Policy at the Board Meeting held on May 13, 2021 to include:

**i.** Duties and Responsibilities of the Board of Directors & CSR Committee

**ii.** Key areas of CSR

**iii.** Guiding Principles for Annual Action Plan

**iv.** Identification and Selection and Implementation of CSR Projects

**v.** Fund allocation

**vi.** Disclosures – Website & Board Report

**2. Composition of CSR Committee:**

**The composition of Corporate Social Responsibility Committee and details of attendance of the members during the year 2020-21 are as under:**

| S. No. | Name | Designation & Category | No. of Meetings Held | No. of Meetings attended |
|---|---|---|---|---|
| 1 | Mr. Sudhir Joshi | Chairman, Independent Director | 1 | 1 |
| 2 | Mr. Vish Tadimety | Member, Non-Independent Director | 1 | 1 |
| 3 | Dr. N.L. Sarda | Member, Independent Director | 1 | 1 |
| 4 | Mr. Ramasubramanian Sankaran | Member, Non-Independent Director | 1 | 1 |

During the year under review, CSR Committee meeting was held on March 26, 2021, approving the CSR expenditure for the F.Y. 2020-21 and recommending to the Board of Directors the amended Corporate Social Responsibility Policy in line with amendment issued by the Ministry of Corporate Affairs vide its notification dated January 22, 2021

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

- Composition of CSR Committee is available on Company's Website and is accessible through Weblink:
  https://www.cybertech.com/financialReports/CorporateSocialResponsibility/CyberTech%20CSR%20Comittee.pdf
- CSR Policy is available on Company's Website and is accessible through Weblink:
  https://www.cybertech.com/financialReports/corporatePolicies/Corporate%20Social%20Responsibility%20Policy.pdf
- CSR projects approved by the board are disclosed on the website and is accessible through Weblink:
  https://www.cybertech.com/financialReports/CorporateSocialResponsibility/CSR%20Projects%20FY%202020-21.pdf

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).** **Not Applicable**

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

| Sr. No. | Financial Year | Amount available for set-off from preceding financial years (in ₹) | Amount required to be set-off for the financial year, if any (in ₹) |
|---|---|---|---|
| 'Not Applicable' | | | |

**6. Average net profit of the company as per section 135(5): ₹ 725.72 Lakhs**

**7.** (a) Two percent of average net profit of the company as per section 135(5): **₹ 14.55 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(c) Amount required to be set off for the financial year, if any: **Nil**

(d) Total CSR obligation for the financial year (7a+7b- 7c). **₹ 14.55 Lakhs**

**8. (a) CSR amount spent or unspent for the financial year:**

| Total Amount Spent for the Financial Year. (₹ in Lakhs) | Amount Unspent (₹ In Lakhs) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 14.55 | N.A. | N.A. | N.A. | N.A. | N.A. |

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

| Details of CSR amount spent against ongoing projects for the financial year | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No | Name of the Project | Item in Schedule VII | Local Area (Yes / No) | Location (State - District) | Project Duration | Amount Allocated for the Project | Amount spent in the current financial Year | Amount transferred to Unspent CSR Account for the project as per Section 135(6) | Mode of implementation Direct (Yes / No) | Mode of Implementation – Through Implementing Agency | |
| | | | | | | | | | | Name | CSR Registration No. |
| 'Not Applicable' | | | | | | | | | | | |

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

**(₹ In Lakhs)**

| Details of CSR Amount spent against on Projects other than Ongoing Projects during the year | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Sr. No** | **Name of the Project** | **Item in Schedule VII** | **Local Area (Yes / No)** | **Location (State - District)** | **Amount spent for the projects (₹ In Lakhs)** | **Mode of implementation Direct (Yes/No)** | **Mode of Implementation – Through Implementing Agency** | |
| | | | | | | | **Name** | **CSR Reg.No.** |
| 1 | **Promoting education** Supporting the Educational Services of Ramakrishna Mission School, Sitanagaram, threatened due to outbreak of Covid-19 Pandemic | (ii) | No | Andhra Pradesh - Guntur | 8.00 | No | Ramakrishna Mission | CSR00006101 |
| 2 | **Making available safe drinking** water Construction of well for safe drinking water at a hamlet named Siroshi, Jawhar Taluka, | (i) | Yes | Maharashtra - Thane | 6.55 | No | Ramakrishna Mission | CSR00006101 |

**(d) Amount spent in Administrative Overheads: Nil**

**(e) Amount spent on Impact Assessment, if applicable: Nil**

**(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 14.55 Lakhs**

**(g) Excess amount for set off, if any: Not Applicable**

| Sr. No | Particular | Amount (₹ in Lakhs) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | - |
| (ii) | Total amount spent for the Financial Year | - |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | - |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | - |

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

| Sr. No | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer. | |
| 'Not Applicable' | | | | | | | |

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding three financial year(s):**

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing. |
| 'Not Applicable' | | | | | | | | |

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).**

(a) Date of creation or acquisition of the capital asset(s). Nil

(b) Amount of CSR spent for creation or acquisition of capital asset. Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.- Nil

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable**

**For CyberTech Systems and Software Ltd.**

| | |
|---|---|
| **sd/-** | **sd/-** |
| **Vish Tadimety** | **Sudhir Joshi** |
| Chairman of the Company | Chairman (CSR Committee) |
| (DIN: 00008106) | (DIN: 00349597) |
| Place : Trevose, PA, USA | Place : California, USA |
| Date : May 13, 2021 | |

## ANNEXURE-VI

### Disclosure pursuant to section 197(2) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**I. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21**

**(₹ in Lakhs)**

| S. No. | Name of Director | Total Remuneration | Ratio |
|---|---|---|---|
| 1 | Sudhir Joshi | 7.40 | 1.51 |
| 2 | M. P. Bharucha | 5.03 | 1.03 |
| 3 | N. L. Sarda | 4.73 | 0.97 |
| 4 | Shreepad Karmalkar | 1.67 | 0.34 |
| 5 | Vish Tadimety | 2.60 | 0.53 |
| 6 | Steven Jeske | 2.20 | 0.45 |
| 7 | Amogha Tadimety | 1.80 | 0.37 |
| 8 | Angela Wilcox | 5.46 | 1.12 |
| 9 | Ramasubramanian S. | 76.14 | 15.59 |

**Notes:**

1 Median remuneration for the financial year 2020-21 is **₹ 488,398/-**

2 The aforesaid details are calculated on the basis of remuneration for the financial year 2020-21.

3 The remuneration of Directors includes sitting fees paid to them for the financial year 2020-21.

4 The Remuneration paid to the Non-Executive Directors includes commission and sitting fees paid for attending meetings of the Board and committees of the company (mandatory as well as non-mandatory committees).

**II. The percentage increase in remuneration of each Director, Chief financial officer (CFO), Company Secretary( CS) in the financial year 2020-21 are as follows:**

| S. No. | Name of Director | Remuneration (₹ in Lakhs) | | Increase/(Decrease) in % |
|---|---|---|---|---|
| | | 2020-21 | 2019-20 | |
| 1 | Sudhir Joshi | 7.40 | 5.30 | 40 |
| 2 | M. P. Bharucha | 5.03 | 2.10 | 139 |
| 3 | N. L. Sarda | 4.73 | 3.90 | 21 |
| 4 | Shreepad Karmalkar | 1.67 | 1.50 | 11 |
| 5 | Vish Tadimety | 2.60 | 2.60 | - |
| 6 | Steven Jeske | 2.20 | 2.00 | 10 |
| 7 | Amogha Tadimety | 1.80 | 0.80 | 125 |
| 8 | Angela Wilcox | 5.46 | 2.30 | 137 |
| 9 | Ramasubramanian S. (Executive Director & KMP) | 76.14 | 60.56 | 26 |
| 10 | Praveen Agarwal (KMP) | 30.56 | 28.41 | 8 |
| 11 | Sarita Leelaramani (KMP) | 12.20 | 11.23 | 9 |

**Notes:**

1 The remuneration to Directors is within the overall limits approved by the shareholders of the Company.

2 The Remuneration paid to the Non-Executive Directors includes commission and sitting fees paid for attending meetings of the Board and committees of the company (mandatory as well as non-mandatory committees).

3 Increase in remuneration is made as per appraisal system and Nomination and Remuneration Policy of the Company.

**III. The Percentage decrease in the median remuneration of the employees in the financial year 2020-21**

**(Amount in ₹)**

| **Particulars** | **2020-21** | **2019-20** | **Increase/(Decrease) in %** |
|---|---|---|---|
| Median remuneration of employees per annum | 488,398 | 457,666 | 7 |

**IV. The number of permanent employees on the rolls of the Company as on March 31, 2021:** 434

**V. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last year and its comparison with the percentile increase in the managerial remuneration and justifications thereof and point out if there is any exceptional circumstances for increase in the managerial remuneration.**

Average increase in Salary of employees other than managerial personnel is 10 % and average increase in managerial remuneration (comprising of remuneration to Whole time directors and KMPs) is 22 %. Nomination and Remuneration Committee (NRC) evaluates the performance of the Executive Director and Senior Managerial Personnel in every financial year and recommends their compensation package to the Board. NRC also ensures that the remuneration package is in accordance with applicable laws, in line with Company's objectives, shareholders' interest and industry standards.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose, PA, USA
Date : May 13, 2021

**Annexure VII**

# ESOP DISCLOSURES AS ON MARCH 31, 2021

## Disclosures with Respect to compliance to Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015

**There was no material change in the Employee Stock Option Schemes ("ESOP"). The ESOP Schemes are in compliance with the regulations.**

**A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:**

Members may refer to the Note No. 43 of Standlone Audited Financial Statements prepared as per Indian Accounting Standard (Ind AS) for the year 2020-21

**B. Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Indian Accounting Standard (Ind AS) 33**

Diluted EPS for the year ended March 31, 2021 is ₹ 5.59

**C. Details related to Employees' Stock Option Plan ("ESOP")**

**i. The description including terms and a condition of ESOP is summarized as under:**

| | **Particulars** | **Employees' Stock Option Plan 2014*** |
|---|---|---|
| (a) | Date of shareholders' approval | September 30, 2014 |
| (b) | Total number of options approved under ESOP | 1,323,567 |
| (c) | Vesting requirements | The options granted will vest at the rate of 25% of the options granted after the completion of first year, second year, third year and fourth year from the date of the grant. |
| (d) | Exercise price or pricing formula | The Exercise Price shall be the price at the latest available (closing) market price on the applicable stock exchange (i.e. the stock exchange where the volume of shares of the Company traded on that day is the highest) prior to the date of the meeting of the board or any committee thereof at which such options have been granted. |
| (e) | Maximum term of options granted | The Employees shall be free to exercise vested options within a period of six months from the date of separation or seven years from the date of grant whichever is earlier, or such period as may from time to time be decided by the Nomination and Remuneration Committee. Options that have not been exercised within this period shall lapse and stand cancelled. |
| (f) | Source of shares (primary, secondary or combination) | Primary |
| (g) | Variation in terms of options | None |
| **Additional information:** | | |
| Number of options granted: | | No options were granted during the year under review. |
| Pricing formula: | | The options shall be priced at the latest available (closing) market price on the applicable stock exchange (i.e. the stock exchange where the volume of shares of the Company traded on that day is the highest) prior to the date of the meeting of the board or any committee thereof at which such options have been granted. However the minimum price shall be face value of the share. |
| Options vested: | | A total of 50,000 options vested during the year. |
| Options exercised and number of shares arising out of such exercise: | | No options exercised during the year. |
| Options lapsed: | | 175,000 Options were lapsed due to resignation of employees and 25,000 Options expired due to lapse of seven (07) years from the date of its grant to an employee. |
| Variations in terms of options: | | There was no variation in the terms of options. |
| Total Number of options in force: | | 1,049,000 options were in force as on March 31, 2021 |

** The "Employee Stock Options Plan 2014" is valid for a period of 7 (seven) years i.e. till September 30, 2021, and further renewal of existing scheme is not recommended by Nomination & remuneration Committee. Hence the new scheme of the Company, as and when recommended by the Nomination and Remuneration Committee and approved by the Board of Directors shall be placed before the shareholders for their approval. Meanwhile the Options already granted under the existing scheme to the employees of the Company shall stay in force as per the terms & conditions of the scheme as approved by the shareholders at the 19th AGM of the Company.*

**ii. Method of Accounting**

The Company has calculated the employee compensation cost using the fair value method of accounting to account for options issued under the ESOP in force.

The fair value at grant date for options granted during the year ended March 31, 2021 was ***Nil***, since ***no options*** were granted during the year. (For March 31, 2020: INR 17.71 per option). The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of the option has been determined by an independent valuer.

Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed: **Not Applicable.**

**iii. Option movement during the year for Employees Stock Option Plan (ESOP):**

| **Particulars of ESOP** | **As at March 31, 2021** |
|---|---|
| **Face Value of an Option** | **10** |
| **Grants:** | |
| Outstanding at the beginning | 1,332,500 |
| Add.: Granted during the year | - |
| Less: Exercised during the year | 83,500 |
| Less : Forfeited/Lapsed during the year | 200,000 |
| Outstanding as at the end | 1,049,000 |
| **Vested:** | |
| Outstanding at the beginning | 1,082,500 |
| Add: Vested during the year | 50,000 |
| Less : Exercised during the year | 83,500 |
| Less : Forfeited/Lapsed during the year | 125,000 |
| Outstanding as at the end | 924,000 |
| Number of options exercised during the year | 83,500 |
| Number of shares arising as a result of exercise of options | 83,500 |
| Money realized by exercise of options | ₹ 23.21 Lakhs |

**iv. Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:**

| **Particulars** | **As at March 31, 2021** | | **As at March 31, 2020** | |
|---|---|---|---|---|
| | **Options** | **Weighted Average Exercise Price (₹)** | **Options** | **Weighted Average Exercise Price (₹)** |
| Options outstanding at beginning of the year | 1,332,500 | 38.00 | 1,182,500 | 37.76 |
| Granted during the year | - | - | 150,000 | 39.88 |
| Exercised during the year | 83,500 | 27.80 | - | - |
| Forfeited/lapsed during the year | 200,000 | 38.06 | - | - |
| Options outstanding at end of year | 1,049,000 | 38.80 | 1,332,500 | 38.00 |

**As at March 31, 2021 :**

| Range of Exercise Price | Number of shares arising out of options | Weighted average remaining life (Years) | Weighted average Exercise Price (₹) |
|---|---|---|---|
| ₹ 10 to ₹ 15 | - | - | - |
| ₹ 16 to ₹ 45 | 899,000 | 2 | 36.84 |
| ₹ 46 to ₹ 60 | 150,000 | 5 | 50.58 |

**As at March 31, 2020:**

| Range of Exercise Price | Number of shares arising out of options | Weighted average remaining life (Years) | Weighted average Exercise Price (₹) |
|---|---|---|---|
| ₹ 10 to ₹ 15 | 53,000 | less than 1 year | 11.34 |
| ₹ 16 to ₹ 45 | 10,29,500 | 3 | 36.74 |
| ₹ 46 to ₹ 90 | 250,000 | 6 | 48.83 |

**v. A description of the method and significant assumptions used during the year to estimate the fair value of options at the time of grant including the following information:**

The Company uses fair valuation method using the following assumptions:

| | For the year ended March 31, 2021* | For the year ended March 31, 2020 |
|---|---|---|
| Dividend Yield | **NA** | 2.00% |
| Expected Volatility | **NA** | 54% |
| Risk free interest rate | **NA** | 5.35% |
| Expected life of share options | **NA** | 7 years |

**No options were granted during the year under review.*

The expected price volatility is based on the historic volatility (based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

**vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to**

| | | |
|---|---|---|
| (a) | Details of Senior managerial personnel including Key Managerial Personnel w.r.t. grant of option for the year ended March 31, 2021 | No Options were granted during the year under review. |
| (b) | any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | No employee of the Company received grant of options during the year amounting to 5% or more of options granted or exceeding 1% of issued capital of the Company |
| (c) | Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding out¬standing warrants and conversions) of the company at the time of grant. | |

**Notes:**

i) Pursuant to approval of the Members at the Annual General Meeting held on September 30, 2014, the Company adopted the "Employee Stock Options Plan 2014"

ii) The Maximum number of options to be issued per employee in a fiscal year did not exceed 1% of the outstanding issued share capital, in the line with Regulation 6(3)(d) of SEBI (Share Based Employee Benefits) Regulations, 2014.

iii) The "Employee Stock Options Plan 2014" is valid for a period of 7 (seven) years i.e. till September 30, 2021.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose, PA, USA
Date : May 13, 2021

# MANAGEMENT DISCUSSION AND ANALYSIS

*The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto. The financial statements have been prepared in compliance with the requirements of the Companies Act, 2013 and Indian Accounting Standards (Ind AS). The Ind AS are prescribed under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, and relevant amendment rules issued thereafter. The Company's management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present the Company's state of affairs and profits for the year. Investors are cautioned that this discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, words like 'will', 'shall', 'anticipate', 'believe', 'estimate', 'intend', 'expect' and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligations to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such statements. Factors that could cause or contribute to such differences include those described under the heading "Risk factors" in the Company's prospectus filed with the Securities and Exchange Board of India (SEBI) as well as factors discussed elsewhere in this report. Readers are cautioned not to place undue reliance on the forward-looking statements as they speak only as on their date of statement.*

*Information provided in this Management Discussion and Analysis (MD&A) pertains to CyberTech Systems and Software Limited (the Company) and its subsidiaries on a consolidated basis, unless otherwise stated.*

## 1. INDUSTRY OVERVIEW

**Global Economy & IT**

In the fiscal year 2021, the global economy saw once-in-a-century shifts due to the Covid-19 pandemic and lockdowns implemented in many larger economies. However, an aggressive vaccination rollouts has raised the hopes of a strong turnaround in the second half of the fiscal year 2022.

According to the International Monetary Fund's (IMF) World Economic Outlook (WEO) release of April 2021, the global growth contracted to (-)3.3% in 2020 and is projected to rebound strongly at 6.0% in 2021, moderating to 4.4% in 2022. The estimates for 2021 and 2022 are stronger as compared to the projection given in the October 2020 WEO. The upward revision reflects additional fiscal measures in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. The given projection is surrounded by high uncertainties related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

The United States (US) economy contracted by (-)3.5% in 2020 and is projected to rebound at 6.4% in 2021 and moderate at 3.5% in 2022. Growth in advanced economies is expected to see a recovery of 5.1% in 2021 from the decline of (-)4.7% in 2020 and grow at 3.6% in 2022. Emerging Market and Developing Economies witnessed a de-growth of (-)2.2% in 2020 and is projected to touch 6.7% in 2021 and 5.0% in 2022. India's economy in 2020 contracted by (-)8.0% and is projected to grow at 12.5% in 2021 and moderate to 6.9% in 2022.

Across economies, the strong and rapid actions shown by the Central banks and Governments on the monetary, fiscal, and unconventional financial policies eased to prevent worse outcomes in 2020. The majority of central banks across the globe are likely to maintain their current policies till 2022. Globally coordinated efforts are crucial to accelerate vaccine distribution and debt alleviation, particularly for low-income countries. As the health crisis subsides, policymakers will need to address the pandemic's aftermath impacts and take steps to spur green, resilient, and inclusive growth while safeguarding macroeconomic stability.

**State of the Technology Industry –**

The importance of the technology industry, which was already large before 2020, increased significantly because of disruption caused by the Covid-19 pandemic. Most of the organisations are fast-tracking their transformation to digitalization to gain a competitive advantage in the new hybrid world, to continue doing business, and drive customer engagement. Digitalization and cloud migration are the topmost priority for global enterprises and in a highly connected world that will remain largely contactless for an extended period.

The global technology industry, which is now valued at almost USD 1.5 trillion, is one of the most important contributors to global economic growth. According to NASSCOM's Strategic Review Reports of 2021, the global IT services spend declined ~4% to USD 692 billion in 2020 as the demand across all sub-segments was adversely impacted due to the pandemic. The global BPM spend also dropped by (-) 2.4% to USD 198 billion in 2020. As per NASSCOM's CEO survey for 2021, about 71% CEOs polled expect global technology spend to be significantly higher in 2021 and beyond.

The pandemic has increased the speed of digital adoption across industries and technology service providers are witnessing a sharp growth in digital deals. The software segment is expected to see the fastest growth, followed by Services and Hardware. Security, Cloud and Software upgrades are the top three IT Services related initiatives in 2021. Accelerated adoption of technologies such as Cloud migration, Robotics Process Automation (RPA), Artificial Intelligence (AI), Machine Learning (ML), Internet of Things (IoT) and 5G will likely promote the technology sector's growth. Overall demand is anticipated to remain strong with a market characterized by shift from legacy services to digital technologies, DevOps, and As-a-Service models. BFSI, Healthcare and eCommerce continue to remain key growth verticals in 2021 and beyond.

The fast pace of technology change and the need for technology professionals who are highly skilled in both traditional and digital technology areas are driving businesses to rely on third parties to realize their business transformation. Several new technology solution and service providers have emerged over the years, offering different models for clients to consume their solution and service offerings, such as data analytics companies, software-as-a-service businesses, cloud platform providers.

Over the last few years, big data has seen a significant increase in demand owing to the rise in cloud services, expansion in data accumulation and high demand for data analytics. As per IMARC Group, the global geographic information system (GIS) market size was valued at USD 8.9 billion in 2020 and is expected to demonstrate strong growth from 2021 to 2026. The development of smart cities and urbanization, integration of geospatial technology with mainstream technologies for business intelligence, the growing investments in modern GIS solutions are some of the key factors driving the growth of the GIS market. Further, the pandemic has also resulted in the extensive utilization of GIS to formulate resource strategies for affected regions through its facility of storing spatial data.

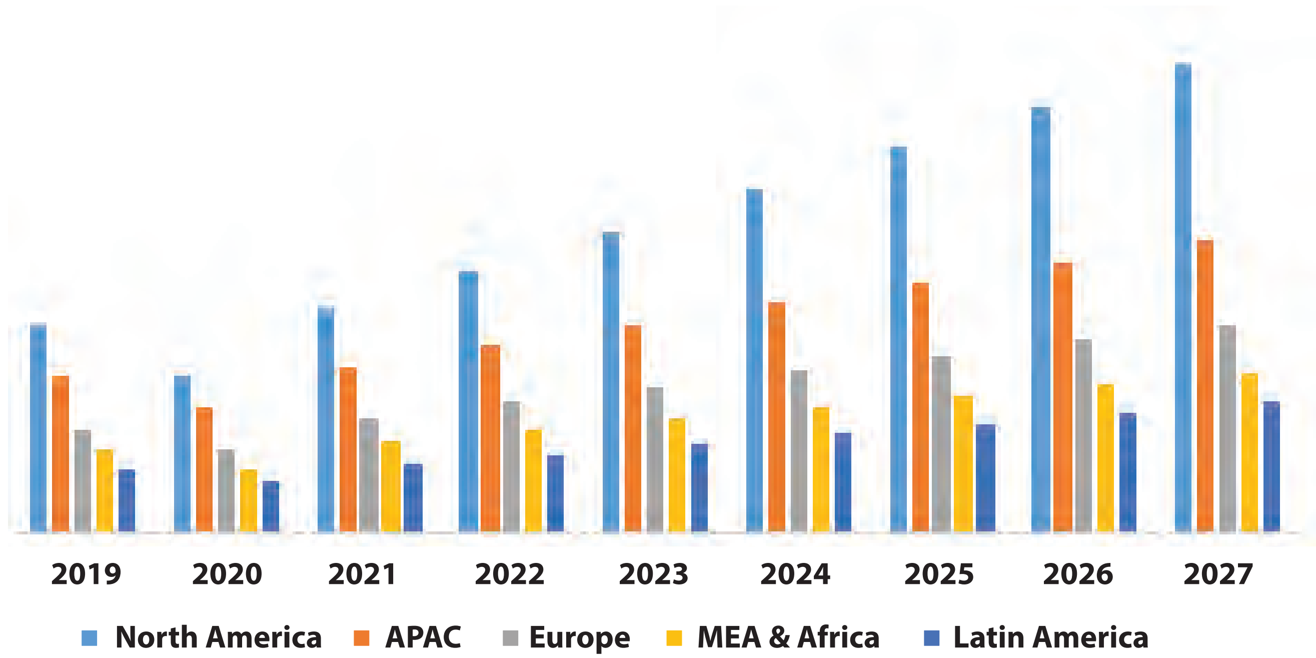
The technology industry is changing faster than ever before. Most of the CIOs are revisiting their long-term strategies to stay better prepared for unforeseen situations like the Covid-19 crisis. In 2020, the sudden outbreak of pandemic led to two major resets across the globe - an acceleration in the speed of digital transformation and hybrid work culture. The decade ahead is expected to see even more changes as consumers and organizations understand the imperative of digital transformation..

**Geospatial Industry**

The geospatial industry continues to remain one of the fastest-growing industries. It is transforming from being product-driven to solutions-driven and is now highly embedded in mainstream IT and engineering technologies.

According to ResearchAndMarkets recent report, the global geospatial solutions market was valued at USD 264.3 billion in 2020 and is projected to reach USD 603.3 billion by 2027, growing at a CAGR of 12.5% during the forecast period of 2020 to 2027. The geospatial solutions market in the US is estimated to be at USD 78 billion in 2020. Rapid incorporation of geospatial technologies in mainline technologies and increasing adoption of Cloud, Automation, Internet of Things (IoT), Big Data, Artificial Intelligence (AI) and miniaturization of sensors across the globe are anticipated to be the key factors to drive growth and create profitable opportunities for global geospatial solutions market throughout the forecast period.

## Globle Geospatial Solutions Market by Region




As per ResearchAndMarkets report, North America is expected to keep its dominance over the forecast period. North America followed by APAC and Europe are among the major regions that are considered as the main users of geospatial technology, boosting the market substantially. The increased user base aided by several initiatives taken by the governments will drive the demand for geospatial data and services across geographies.

The global Cloud GIS Market was valued at USD 0.65 billion in 2019 and is estimated to touch USD 1.88 billion by the end of 2027, growing at a CAGR 14.3% between 2020 and 2027, as per ReportCrux research. The major factors driving the growth are rising investments in GIS-based infrastructure by the government sector, for military and aerospace applications, the requirement for better utilization of spatial data for gaining real-time information of the location, and growing demand for these solutions from industries such as construction, utilities and mining. During the Covid-19 crisis, various government organizations also utilized the GIS technology for varied applications, thereby resulting much faster growth of GIS market.

The Geospatial industry in India is on the brink of a major transformation. In February 2021, the Ministry of Science and Technology released new guidelines for the Geospatial sector in India, which deregulates existing protocol and liberalises the sector to a more competitive field. Under the current regime, there are strict restrictions on the collection, storage, use, sale, dissemination of geospatial data and mapping in India. This step will open up new opportunities for businesses as now they can use this data in setting up their concerns, especially in the sector of e-commerce or geospatial-based apps which in turn will increase employment in these sectors. There is also likely to be an increase in public-private partnerships with the opening of this sector with data collection companies working with the Indian government on various sectoral projects.

The Covid-19 pandemic has virtually brought the world to its knees. In due course, the spread of this highly infectious disease will be slowed down, but the world will never be the same as it was pre-pandemic. Remote sensing and Cloud based GIS infrastructure can play an important role in supporting experts as well as policymakers for formulating plans and policies on how to tackle such unprecedented calamity by mapping and analysing the spread and effects of this disease around the globe. The geospatial industry is expected to see an increased demand traction post-pandemic and thus creating new business opportunities for the companies like CyberTech.

## 2. BUSINESS OVERVIEW

Starting in February 2020, the outbreak of the COVID-19 pandemic adversely impacted peoples' lives and business across the globe. And this year, the second wave of COVID-19 in India has impacted our people and their socio-economic condition. However, at the start of 2021, businesses started coming back to normalcy aided by a speedy vaccination rollouts and increased demand momentum. The company is pleased to inform that vaccination drives are being arranged for the employees and their families to ensure protection against COVID-19. The company witnessed growth in most of the key verticals and industries it operates. The pandemic has accelerated the pace of cloud transformation across the globe, which is the core focus area for Cybertech and thus creating huge opportunities for the company.

SAP continues to play a key role in our cloud transformation strategy. Our HANA GeoDB migration offerings continued to gain traction through our partnership with the SAP Database Migration Factory.

Our Managed ArcGIS Cloud Services offerings are gaining substantial growth traction. The company won three deals during the year. These deals ensure substantial recurring revenue over a long period of time. We are in the advance stages of discussion with several other potential customers. Our industry leading offering is unique due to the depth of our experience in providing security expertise coupled with cloud management.

Our deal pipeline is strong for our three key offerings - SAP S/4HANA and SAP Cloud Offerings, Managed ArcGIS Cloud Services and Spatialitics Cloud Software Solutions. We will continue to invest in these offerings as well as our digital sales capabilities that have started helping us in demand generation. We will continue to invest in acquiring talent and building a world-class digital work environment that will help our workforce to deliver from anywhere, without making any compromise on the quality.

Our US-based subsidiary, Spatialitics LLC, which was formed to focus on spatial analytics-based fabric and product portfolio, is growing in line with Company's strategy. Our Spatialitics product lines are now fully cloud ready. The latest version of Spatialitics GeoShield is capable of integrating several disparate data sources, including video camera streams coming from different camera sources, on a real time basis. We are seeing demand from our existing customers as well as from some medium and small-scale US police agencies for this offering as they see the value of real time data integration and collaboration. Spatialitics Utilities and Spatialitics Health product suites are also receiving interest in the market. Several US water utility companies are showing interest in our Spatialitics Utilities product suite, including our Unity solution.

Our ongoing strategy of building and nurturing long standing relationships with our customers helped us to deliver solid results in these uncertain times. FY2021 revenue stood at Rs 1,248 million. EBITDA grew by 21% to Rs 297 million and PAT grew by 82% to Rs 241 million. The performance demonstrates the operational efficiency and maturity that the company accomplished over the past year. We retained our strong balance sheet with no debt and continue to generate decent cash flow.

The United States continued to be the major revenue contributor with a contribution of 94% towards operating revenue while 6% accounted for India. We have participated in many conferences including SAP Sapphire, SAP Utilities, Esri Global User conference, Esri partner conference, and Esri Infrastructure Management and GIS (IMGIS) Conference this past year. Our CyberTech colleagues are responsible for achieving these results in such an uncertain year. We believe that human capital is the greatest asset, and we will continue to take measures to attract, nurture and retain talent.

The company continues to focus on deepening ESRI and SAP relationships and sees Esri ArcGIS cloud services and SAP S/4HANA move as great opportunities going forward.

**Quality**

At CyberTech the management and employees are committed to delivering solutions and IT services that consistently exceed client expectations and delight our clients through continued Quality improvements.

CyberTech has achieved ISO 9001-2008 and CMMI Level 3 standards for offshore development activities.

## 3. HUMAN RESOURCES

The company believes that effective human resources administration is the best way to ensure that personnel needs are well integrated and amalgamated into long term organizational goals. Effective employee management tops the priority of the Human Resource Department of the Company.

The human resource strategy is focused on creating a performance driven environment in the company, where innovation is encouraged, performance is recognized and employees are motivated to realize their potential.

HR not only continuously acquires the right people for right place but groom them. CyberTech Management is constantly in touch with employees to boost their morals. Training programs are arranged to improve their skill sets which in turn helps the Company to efficiently achieve their targets, to provide timely support to customers and follow up with the clients to support their software platforms.

The Company and its wholly owned subsidiaries have a total of 466 employees on its payroll.

## 4. OPPORTUNITIES AND THREATS

**Opportunities:**

In this progressively complex and interconnected world, geospatial technologies have become all pervasive, driving major disruptions across industry segments. The escalating adoption of location analytics and Big Data among organisations, the ubiquity of everyday geo-enabled mobile applications, the reducing cost and increasing accuracy of all sorts of sensors, and surging reliance on the Cloud have ensured that geospatial becomes a core enabling technology for even those who find it hard to define the term. The new advancements and modernisation in drone technology and the rising deployment of Unmanned Aerial Vehicles (UAVs) for remotely supervising and gathering a large number of location data with minimal human intervention are likely to unfold new opportunities for the geospatial market. Simultaneously, the growing usage of GPS enabled smartphones and devices is also expected to drive market growth.

COVID-19 pandemic scenario has pushed the world towards faster adoption of digital infrastructure - the Cloud, and SaaS based apps. This has opened up a great opportunity for CyberTech's Cloud Transformation offerings and Spatialitics' cloud-based spatial analytics products.

Spatial Analytics is a new area that is shaping up and growing very fast riding on the fact that it is at the heart of IoT, Smart Cities and Digital Transformation. Spatial Analytics lead to intelligent machine level decision making. CyberTech has the opportunity and continues to focus on being the Leader in Location and Spatial Analytics.

CyberTech has Alliance partnerships with several leading technology companies including SAP, ESRI, Cisco and Microsoft. The Company is well poised to take advantage of the new advanced technologies provided by these alliance partners. These technology alliance partners expect to see major technology opportunities for their customers in the United States.

CyberTech continues to focus on Enterprise Solutions offerings. Any increase in offshore related services should have the effect of increased Company margins and profitability and increased longevity of business contracts. The Company intends its growth share with the existing clients which will have a supplemental effect of reducing the cost of overhead as well as the delivery cost.

**Threats:**

The economic uncertainty of the current worldwide markets makes the future less predictable than in the past due to the current demand environment. Worldwide IT spending growth has significantly reduced with budget cutbacks on IT spending by customers, buyers in "wait and watch" mode, government units significantly cutting budgets to match expected revenue shortfalls and delayed decision making. Reduction in new client additions, absence of large deals, vendor consolidation, downsizing for greater efficiencies and cost savings as well as pricing pressures in both onsite and offshore realization put greater pressures on revenues and margins in the last fiscal year and are expected to track lower for some time.

The US market is under increasing pressure from general economic conditions as growth diminishes. US spending on off-shore services has slowed down in the face of these market conditions as well as the adoption of protectionist measures by policy makers. CyberTech is also subject to the threats of competing against much larger International IT service providers, the large global Indian IT service providers and more entrenched US and Global System integrators, many of which also provide services to established markets on an offshore basis. The good news is that global sourcing is expected to increase as the focus on cost and `value' increases with buyers "stretching the dollar" to include greater value delivery.

As with other Indian IT Services companies, other general threats to the business continue to include competition among Information and Technology units in India for talented people, which has resulted in rising employee compensation packages and shrinking margins available to IT Companies. We are also seeing a potential backlash in the US from the increasing loss of employment due to outsourced services overseas, resulting in an impact on the country's immigration enforcement procedures.

## 5. OUTLOOK AND RISKS

**Outlook:**

The year 2020 was an exceptional year for the global economy. The Covid-19 pandemic adversely impacted economies, businesses, people and socio-economic conditions. The year 2021 continues to remain uncertain for outlook because of the resurgence of muted virus variant cases in most of the economies and the uncertain macroeconomy. With the speedy vaccination rollouts and government's fiscal stimulus measures, we expect to see a strong global growth recovery in 2022.

The geospatial industry continues to remain one of the fastest-growing industries. The evolution of new technology and rising integration with mainstreaming continue to drive the growth momentum. The Covid-19 pandemic has accelerated the Cloud migration and Digital transformation by several years, and most of these changes could be here for the long term. Enterprises are rapidly adopting the changes, increasing their investments in advanced technologies, and are revisiting their strategies to thrive in the competitive market. We are seeing more emphasis on remote working. The value addition that spatial analytics offers has been evidenced clearly throughout this crisis. Geospatial data and location intelligence are going to be crucial for faster economic recuperation.

We continue to see increased adoption for secured and high-performing cloud and digital infrastructure by our customers. CyberTech is becoming their choice as the partner in their digitalization journey due to our unparallel expertise in cloud infrastructure and our close partnership with Esri, including our ArcGIS Cloud Service Specialty designation. Our partnership with SAP continues to strengthen.

As a company, we will remain focused on the following areas and will continue to invest as needed to strengthen its capabilities for future growth:

- Cashflow management and continuous cash generation from operations
- Supporting our customers through this pandemic
- Human Capital Management
- SAP S/4Hana and Cloud migration
- Delivery of Managed ArcGIS Cloud Services
- Continued development of Spatialitics Products
- Sales and Digital Sales.

Cloud and digital transformation have become a necessity in this pandemic era. The cloud industry is projected to see huge growth and CyberTech is perfectly positioned to be part of this growth. The Company will continue to see business increases in the coming years, leveraging Company's growth strategy centred around cloud transformation and will continue to produce strong results.

**Risks:**

Risk management program involves risk identification, assessment and risk mitigation. The Company has evolved following offerings.

1. Spatial Analytics Platform

2. Enterprise solutions

Each line of offerings has been given full operational freedom to improve the business but their margins are constantly monitored by the Management and Board of Directors and Executive Committee. Each has been given targets and means by way of budgets to improve their efficiency and healthy strategic growth of the Company.

Some of the key strategic risks the company faces, their impact and corresponding risk mitigation actions undertaken by the company are discussed in the table:

| Key Risks | Impact on CyberTech | Mitigation |
|---|---|---|
| Lack of Diversification | The Company's potential for growth is driven by one market segment, namely IT services, with a focus on several technology areas. | Company management has purposely remained focused in the near term as opposed to spreading its manpower too thin to achieve its goals. The company is also taking measures to change the perspective from the pure services providers company to market Product and IPs. |

| | | |
|---|---|---|
| Excessive dependence on one geographic segment | A large percentage of company's revenue comes from USA, heavy dependence on this one geographic segment could lead to volatility because of the economic and political situation there. | The Company's various product initiatives are gaining momentum globally apart from USA. This can be leveraged to expand its horizon other than USA. |
| Legal and Statutory Risks | The company's international operations are subject to local legal and statutory risks including compliance with local laws and regulations, one of which is compliance with immigration laws and regulations, which may change from time-to-time. Other risks include contractual risks when delivering complex technology solutions. | As of the date of this report, the company is not aware of any noncompliance with local laws or regulations that would have a material impact on Financial Statements. |
| Risk of attracting and retaining of IT Professionals in a highly competitive environment | In the IT services industry, people are the most valuable assets. Attrition of the key technical talent is one of the major risks. | The company reviews its compensation policies regularly to determine that compensation is competitive with the market conditions. The company also determines that there is a defined career path for all employees and the work environment provided to all employees is very competitive and is of very high standard. |
| Currency Risk | The changes in currency rate between Indian Rupees and US dollars have been a major cause of concern. The fluctuation of rates coupled with the shocks emerging from various parts of the world relating to the economic meltdown has increased the currency risk. | The Company has framed its hedging policy and Management and the Board of Directors monitor the currency position from time to time. |
| Disruption and Uncertainty in Business | The company's operations might be impacted due to incapacitation of some sections of the workforce due to exposure to the pandemic, reduced productivity due to employee stress and impact on emotional well-being while under local lockdowns or quarantines, inability to provide work from home access. These could impact revenue growth and lead to potential customer claims on grounds of non-adherence to service delivery commitments.. | CyberTech remain focused on maximizing "remote working/work from home" across all geographies to aid social distancing, and to ensure a safe working environment for business-critical associates for whom it is unavoidable to remain onsite.<br><br>We are also preparing to secure our future in these challenging times with aggressive cost control and an optimization plan focused primarily on liquidity and cash. We stay confident in our ability to embrace and adapt to the new normal |

**6. INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

The Company has Internal Control procedures commensurate with its size and nature of the business. These business procedures ensure optimum use and protection of the resources and compliance with the policies, procedures and statutes.

The Internal Control Systems provide for well-defined policies, guidelines and authorizations and approval procedures. The operation and monitoring of the system of internal control is entrusted to employees who possess the necessary skills, technical knowledge, understanding of the Company, industries and markets in which it operates.

An Independent Audit Committee, on quarterly basis, reviews adequacy and effectiveness of internal controls and provides observations/ recommendations. The discussions are also made with Internal Auditors and the Internal Audit Report is also reviewed by the Committee.

**7. FINANCIAL CONDITION**

Your Company had consolidated revenues of ₹124.78 Crores and ₹ 24.09 Crores net profit in the current year. The Company expects to achieve significant growth in revenue and net income in the coming years. The detailed financial condition is stated in the Board's Report which forms part of the Annual Report. A quick snapshot is given below:

**(₹ In Crores)**

| Particulars | FY 2021 | % of Revenue | FY 2020 | % of Revenue | % of Growth |
|---|---|---|---|---|---|
| Revenue | 124.78 | 100.0 | 119.16 | 100.0 | 4.7 |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 29.7 | 23.8 | 24.5 | 20.6 | 21.2 |
| Profit Before Tax (PBT) | 22.7 | 18.2 | 17.7 | 14.8 | 28.4 |
| Profit after tax attributable to the shareholders of the company | 24.1 | 19.3 | 13.2 | 11.1 | 82.2 |
| Earnings per Share (₹) | 8.74 | - | 4.81 | - | 81.7 |

**Key Financial Ratios - Consolidated**

| Key Financial Ratios | FY 2021 | FY 2020 |
|---|---|---|
| Debtors Turnover | 5.0 | 4.2 |
| Current Ratio | 3.7 | 2.4 |
| Operating Profit Margin | 18.5% | 15.3% |
| Net Profit Margin | 19.3% | 11.1% |
| Return on Net Worth | 21.0% | 14.1% |

The above table presents key financial ratios, as applicable for the Group. The change in Current Ratio is significant, as defined under the amended SEBI (LODR) Regulations i.e. over 25% compared to previous year. This is on account of increase in current assets during the year and decrease in current liabilities mainly because the company has made short term investment out of internal accrual, hence the current ratio has improved.

**8. DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company has consistently followed a treatment that has been prescribed in Indian Accounting Standards (Ind AS) in the preparation of financial statements and the same shows true and fair view of the financial statements.

**9. CAUTIONARY STATEMENT**

Statements in this document/discussion relating to future status, events, or circumstances, including but not limited to statements describing the Company's objectives, projections, estimates and expectations maybe 'forward looking statements' within the meaning of applicable laws and regulations. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic developments, particularly in the USA & improvements in the state of Information Technology Services markets, changes in the Government regulations in India & USA, tax laws & other incidental factors.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose, PA, USA
Date : May 13, 2021

# REPORT ON CORPORATE GOVERNANCE

We are pleased to submit hereunder a detailed report on Corporate Governance for the Financial Year ended on March 31, 2021, pursuant to Regulation 17 to 27 and Regulation 34 read with Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") as applicable, with regard to Corporate Governance.

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Since inception, CyberTech Systems and Software Limited ("the Company/CyberTech") has been adopting best practices in the area of Corporate Governance as a means of effectively protecting and enhancing all the stakeholders' value. It would be our endeavor to nurture sustained growth with increased profit margins and enhanced shareholders' value.

The Company has adopted a Code of Conduct for its employees and the Board of Directors, which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ("the Act") and the SEBI (LODR) Regulations, 2015. These codes are available on the Company's website: https://www.cybertech.com/Investor

The Details of Corporate Governance practices followed in CyberTech are hereunder.

## 2. BOARD OF DIRECTORS

### a. Composition

The Board has an optimum combination of Executive and Non-executive Directors in order to have a balanced Board Structure. As on March 31, 2021, the strength of the Board of Directors is Nine (9) Directors comprising of Eight (8) Non-Executive Directors including Two (2) Women Directors. Out of total number of Directors, Five (5) are Independent Directors who constitute more than one-half of the total strength of the Board. The Company is in compliance with the requirements of Regulation 17 of the SEBI (LODR) Regulations, 2015. All Directors are competent and experienced personalities in their respective fields.

None of the Directors on the Board hold Directorships in more than Ten (10) public companies. Further, none of them is a member of more than Ten (10) committees or chairman of more than Five (5) committees across all the public companies in which he or she is a Director. Further, in compliance with Regulation 25(1) of SEBI (LODR) Regulations, 2015, none of the Independent Directors holds directorship in more than seven listed companies. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2021 have been made by the Directors.

Independent Directors are Non-executive Directors as defined under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and Section 149(6) of the Act.

**The Composition of the Board, details of other directorships, committee positions as on March 31, 2021 are given below:**

| Sr. No. | Name | Directors Identification Number (DIN) | Category of Directors | No. of Directorships held (including CyberTech)# | No. of Membership/Chairmanship in Board Committees (including CyberTech)@ | |
|---|---|---|---|---|---|---|
| | | | | | Chairman | Member |
| 1. | Mr. Vish Tadimety | 00008106 | Non-Executive Chairman and Promoter Director | 1 | NIL | NIL |
| 2. | Mr. Ramasubramanian Sankaran | 05350841 | Executive Director | 1 | NIL | 1 |
| 3. | Mr. Steven Jeske | 01964333 | Non-Executive and Non-Independent Director | 1 | NIL | NIL |
| 4. | Ms. Amogha Tadimety | 06952042 | Non-Executive and Non-Independent Director | 1 | NIL | NIL |
| 5. | Mr. Sudhir Joshi | 00349597 | Non-Executive and Independent Director | 1 | 2 | NIL |
| 6. | Mr. M.P. Bharucha | 00361911 | Non-Executive and Independent Director | 2 | 1 | 1 |
| 7. | Dr. Shreepad Karmalkar | 03273896 | Non-Executive and Independent Director | 1 | NIL | 2 |
| 8. | Dr. N.L. Sarda | 00147782 | Non-Executive and Independent Director | 3 | NIL | 4 |
| 9. | Ms. Angela C. Wilcox | 08068715 | Non-Executive and Independent Director | 1 | NIL | NIL |

**Notes:**

#Number of Directorships held excludes Directorships in Private Limited Companies, Foreign Companies, Companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Alternate directorships.

@Only covers Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of Listed and Unlisted Public Limited Companies.

**The Board of Directors met Four (04) times during the year under review. The date of the Board Meetings and attendance thereat are furnished hereunder:**

| Date of Board Meeting | June 17, 2020 | August 12, 2020 | November 11, 2020 | February 11, 2021 |
|---|---|---|---|---|
| Board Strength as on the date of Board Meetings | 9 | 9 | 9 | 9 |
| No. of Directors Present* | 9 | 8 | 8 | 7 |

** In view of the outbreak of the COVID-19 pandemic, social distancing norms and restriction on movement of persons at several places in the country the Ministry of Corporate Affairs vide its Companies (Meetings of Board and its Powers) First, Second, Third and Fourth Amendment Rules, 2020 exempted the Companies to hold the "Matters Not to be Dealt With in a Meeting Through Video Conferencing or Other Audio Visual Means" to be held through Video Conferencing.*

**b. Attendance of individual Directors at the Board Meetings and last AGM:**

| Name of Director | No. of Board Meetings held during year | No. of Board Meetings Attended | Attendance at last AGM |
|---|---|---|---|
| Mr. Vish Tadimety | 4 | 4 | Attended |
| Mr. Sudhir Joshi | 4 | 4 | Attended |
| Mr. M.P. Bharucha | 4 | 3 | Attended |
| Dr. N.L. Sarda | 4 | 4 | Not Attended |
| Dr. Shreepad Karmalkar | 4 | 1 | Not Attended |
| Mr. Steven Jeske | 4 | 4 | Attended |
| Mr. Ramasubramanian Sankaran | 4 | 4 | Attended |
| Ms. Amogha Tadimety | 4 | 4 | Attended |
| Ms. Angela C. Wilcox | 4 | 4 | Not Attended |

** In view of the outbreak of the COVID-19 pandemic, social distancing norm and restriction on movement of persons at several places in the country and pursuant to various General Circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 ("the Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 25th AGM of the Company was conducted through Video conferencing Facility.*

**c. Inter-se relationships amongst Directors**

As on March 31, 2021, there is no inter-se relationship among the Directors except Ms. Amogha Tadimety, Non-Executive Director is the Daughter of Mr. Vish Tadimety, Non-Executive Chairman and Promoter Director of the Company.

**d. Number of Shares and Convertible instruments held by Directors:**

The following Directors are holding Shares of the Company as on March 31, 2021:

| S.No. | Name of Director | No. of Shares held |
|---|---|---|
| 1. | Mr. Vish Tadimety | 5,737,189 |
| 2. | Mr. Steven Jeske | 2,281,433 |
| 3. | Ms. Amogha Tadimety | 254,320 |

e. **Independent Directors:**

The Independent Directors of the Company fulfill the criteria of independence, which are given under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 and have given declaration of independence as per the requirements. The Draft Letter of Appointment of Independent Directors is available on the website of the Company:
https://www.cybertech.com/financialReports/IndependentDirectorAppointmentLetter.pdf

During the year under review, a separate meeting of Independent Directors of the Company as per the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 (3) of the SEBI LODR, Regulations, 2015 was held on March 08, 2021 without the attendance of Non-Independent Directors and the members of the management, interalia, to discuss the following:

- Review the performance of Non-independent Directors and the Board of Directors as a whole;
- Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Assess the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

f. **Skills/ Expertise/ Competence of the Board of Directors:**

Skills/ Expertise/ Competence of the Board of Directors can be accessed on the weblink:

**https://www.cybertech.com/financialReports/Skill-set-matrix-of-Board-of-Directors.pdf**

- Technical/ Professional skills and specialized knowledge in relation to Company's business.
- Knowledge of Company's business policies, culture (including the Mission, Vision and Values), major
- Risks/threats and potential business opportunities in the industry in which the Company operates.
- Financial and Management skills.
- Technical / professional skills and specialized knowledge of Company's business.
- Marketing Strategy, Competitive Analysis, Innovation and Research and Development.
- Corporate Governance, Human Resource Development, Administration.
- Behavioral skills, attributes and competencies to use their knowledge to contribute effectively to the growth of the Company.

g. **Familiarization Programme:**

Pursuant to the provision of Regulation 25(7) of the SEBI (LODR) Regulations, 2015, the Company has in place Familiarization Programme for Independent Directors to familiarize them about the Company and their role, rights and responsibilities in the Company. The Familiarization Programme and details of Familiarization Programme imparted during 2020-21 are uploaded on the website of the Company and can be accessed through web-link https://www.cybertech.com/financialReports/Familiarization-programmes-imparted-to-Independent-Directors-2021.pdf

**3. COMMITTEES OF THE BOARD**

The Company has four mandatory Board-level Committees namely, Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee.

All decisions pertaining to the constitution of Committees, terms of reference, etc. are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the Financial Year 2020-21 and the related attendance, are provided below:

i) **Audit Committee**

a) **Brief description of Terms of reference**

The terms of reference of the audit committee is available on the website of the Company and is available on weblink: https://www.cybertech.com/investors/corporate_policies.aspx The relevant extract of the terms of reference of Audit Committee are as follows:

Oversight of financial reporting process.

i. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval.
ii. Evaluation of internal financial controls and risk management systems.
iii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
iv. Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
v. To consider matters with respect to the Code of Conduct and vigil mechanism.

vi. Recommending to the Board the appointment/ remuneration of the Auditors.

vii. Approving the payments of Cost Auditors towards other services rendered by them.

viii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**b) Composition and attendance at Audit Committee Meetings:**

As on March 31, 2021, the Audit Committee comprises of Three Directors as the Members. All the Members of the Audit Committee are qualified, experienced and possess sound knowledge of finance, accounting practices and Internal Controls.

During the year under review, four (04) meetings were held viz., on June 17, 2020, August 12, 2020, November 11, 2020, and February 11, 2021.

| S.No. | Name | Designation & Category | No. of Meetings attended $ |
|---|---|---|---|
| 1 | Mr. Sudhir Joshi | Chairman, Independent Director | 4 |
| 2 | Dr. N.L. Sarda | Member, Independent Director | 4 |
| 3 | Dr. Shreepad Karmalkar | Member, Independent Director | 1 |

$ The attendance includes presence of Directors through Video/tele-conferencing facilities.

The representatives of the Statutory Auditors, Internal Auditors, Secretarial Auditors and Chief Financial Officer are permanent invitees to the Audit Committee Meetings and they attend the meetings. All the members of the Audit Committee have requisite accounting and financial management expertise.

Mr. Sudhir Joshi, Chairman of the Audit Committee attended the 25th Annual General Meeting to attend and respond to the queries raised by the shareholders at the said AGM. As per Regulation 18 (1)(e) of SEBI (LODR) Regulations, 2015, the Company Secretary acts as the Secretary of the Audit Committee.

**ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") is constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

**a) <u>Nomination and Remuneration Policy:</u>**

The Company had formed a Nomination and Remuneration policy in accordance with the provisions of the Companies Act, 2013 and the SEBI Listing Regulations to harmonize the aspirations of human resources, consistent with the goals of the Company which inter alia includes Company's Policy on Board Diversity, selection, appointment and remuneration of Directors, criteria for determining qualifications, positive attributes, independence of a Director and criteria for performance evaluation of the Directors.

The terms of reference of the Nomination and Remuneration Committee are available on the website of the Company and are accessible through <u>https://www.cybertech.com/investors/corporate_policies.aspx.</u> The relevant extract of the terms of reference of Nomination and Remuneration Committee are as follows:

i. Recommend to the Board the setup and composition of the Board and its committees.

ii. Recommend to the Board the appointment/ re-appointment of Directors and Key Managerial Personnel.

iii. Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel and other employees.

iv. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.

**b) <u>Composition and attendance at Nomination and Remuneration Committee Meetings:</u>**

During the year under review, one (01) meetings of the Nomination and Remuneration Committee was held on March 26, 2021

**The Composition of the Nomination and Remuneration Committee and details of attendance of the members during the year 2020-21 are as under:**

| S. No. | Name | Designation & Category | No. of Meetings attended |
|---|---|---|---|
| 1 | Mr. Sudhir Joshi | Chairman, Independent Director | 1 |
| 2 | Mr. Vish Tadimety | Member, Non-Independent Director | 1 |
| 3 | Mr. M.P. Bharucha | Member, Independent Director | Nil |
| 4 | Dr. N.L. Sarda | Member, Independent Director | 1 |
| 5 | Dr. Shreepad Karmalkar | Member, Independent Director | Nil |

The Company Secretary acts as the Secretary to the Committee. The previous AGM of the Company was held on September 29, 2020 and was attended by Mr. Sudhir Joshi, the Chairman of the Nomination and Remuneration Committee.

c) **Performance Evaluation**:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its Directors individually as well as the evaluation of the working of its Committees on February 11, 2021. The performance evaluation criteria for Independent Directors are determined by an indicative list of factors on which evaluation was carried out and it includes, participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behavior and judgment. The performance evaluation of the Directors, the Board and its Committees was accordingly carried out in accordance with the SEBI Circular dated January 5, 2017:

The Independent Directors in their separate meeting held on March 08, 2021, reviewed the performance of the Chairman, Executive Director and other Non-Executive Directors on the Board of the Company. They also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Skills /expertise/ competencies fundamental for the effective functioning of the Company are accessible at the weblink :
https://www.cybertech.com/financialReports/Skill-set-matrix-of-Board-of-Directors.pdf

d) **Remuneration to Non-executive Directors paid during the Financial Year 2020-21:**

**(₹ in Lakhs)**

| Name | Designation | Salary | Commission | Sitting fees | Total * |
|---|---|---|---|---|---|
| Mr. Vish Tadimety | Chairman | Nil | Nil | 2.60 | 2.60 |
| Ms. Amogha Tadimety | Director | Nil | Nil | 1.80 | 1.80 |
| Mr. Steven Jeske | Director | Nil | Nil | 2.20 | 2.20 |
| Mr. Sudhir Joshi | Director | Nil | 3.00 | 3.60 | 6.60 |
| Mr. M.P. Bharucha | Director | Nil | 3.50 | 0.60 | 4.10 |
| Dr. N.L. Sarda | Director | Nil | 2.00 | 2.20 | 4.20 |
| Dr. Shreepad Karmalkar | Director | Nil | 1.00 | 0.40 | 1.40 |
| Ms. Angela C. Wilcox | Director | Nil | 3.68 | 0.80 | 4.48 |

**The remuneration paid to Non-Executive Directors includes commission and sitting fees paid towards attending the Board Meeting and Other Committee Meetings held during the year.*

*Mr. Vish Tadimety and Mr. Steven Jeske hold Office or place of profit as Directors in the wholly owned subsidiaries, CyberTech Systems and Software Inc. USA and Spatialitics LLC, USA.*

e) **Remuneration paid to Executive Director**

The remuneration paid to Mr. Ramasubramanian Sankaran, Executive Director for the Financial Year 2020-21 is ₹ 76.14 Lakhs. He did not exercise any employee stock option during the year under review.

The existing term of the appointment of Mr. Ramasubramanian Sankaran, as an Executive Director of the Company would lapse on August 04, 2021. The consent of the Members will be sought for his re-appointment on the basis of the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company at the ensuing Annual General Meeting of the Company.

Mr. Ramasubramanian Sankaran, Executive Director has also been granted Employee Stock Options under the Employee Stock Option Scheme (ESOP) of the Company, apart from the aforesaid remuneration.

**The details of the ESOP granted to the Executive Director:**

| Particulars | As at March 31, 2021 |
|---|---|
| **Grants to the Executive Director:** | |
| Outstanding at the beginning | 400,000 |
| Add.: Granted during the year | - |
| Less: Exercised during the year | - |
| Less : Forfeited/Lapsed during the year | - |
| Outstanding as at the end | 400,000 |

| **Vested to the Executive Director:** | |
|---|---|
| Outstanding at the beginning | 400,000 |
| Add: Vested during the year | - |
| Less : Exercised during the year | - |
| Less : Forfeited/Lapsed during the year | - |
| Outstanding as at the end | 400,000 |
| Details of options Exercised during the year: | No options were exercised during the year under review |

There is no separate provision for payment of severance fees.

Notice period is 3 Months as per terms of the appointment.

**f) Fees paid to Statutory Auditors for F.Y. 2020-21**

Payments made to Bagaria & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, for the Services rendered by them for the period April 01, 2020 to March 31, 2021 are as follows:

| **Particulars** | **Amount (₹)** |
|---|---|
| Audit Fees | 930,000 |
| Limited Review Fees | 450,000 |
| Certification | 75,000 |
| Reimbursement of Expenses (Excluding GST) | 7,842 |
| **Total** | **14,62,842** |

**iii) Stakeholders' Relationship Committee**

**Composition and attendance at Stakeholders' Relationship Committee Meeting**

In compliance with Regulation 20 of the SEBI (LODR) Regulations 2015, the Board has constituted the Stakeholders' Relationship Committee inter alia to consider and review the complaints received from shareholders. Details of share transfers/ transmissions approved by the Committee are placed at the Board Meetings from time to time. The Board has delegated the authority to allot equity shares against the Stock Options exercised by the employees/ Directors, granted to them under the Employees Stock Option Plan (ESOP) of the Company, to the Stakeholders' Relationship Committee.

The Stakeholders' Relationship Committee meeting was held on March 26, 2021 during the year under review.

**The Composition of Stakeholders' Relationship Committee and details of attendance of the members during the year 2020-21 are as under:**

| S. No. | Name | Designation & Category | No. of Meetings attended |
|---|---|---|---|
| 1 | Mr. Sudhir Joshi | Chairman, Independent Director | 1 |
| 2 | Dr. N.L. Sarda | Member, Independent Director | 1 |
| 3 | Dr. Shreepad Karmalkar | Member, Independent Director | Nil |
| 4 | Mr. Ramasubramanian Sankaran | Member, Executive Director | 1 |

As per the provisions of Regulation 20 (2) of SEBI LODR Regulations, 2015, Mr. Sudhir Joshi, Chairman of the Committee is an Independent and Non-Executive Director.

**Name, designation and address of Compliance Officer:**

**Ms. Sarita Leelaramani**
Company Secretary and Compliance Officer
CyberTech Systems and Software Limited
'CyberTech House, ' Plot No. B-63/64/65
Road No. 21/34, J. B. Sawant Marg, MIDC
Wagle Estate, Thane (W)-400604
Tel: +91-22-4283-9200; Fax: +91-22-4283-9236

**Details of investor complaints received and redressed during the year 2020-21 are as follows:**

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|---|---|---|---|
| Nil | Nil | Nil | Nil |

Exclusive e-mail id for Investor Grievances: cssl.investors@cybertech.com.

**Transfer of Equity Shares of the Company to DEMAT Account of Investor Education and Protection Fund (IEPF) Authority**

In terms of the provisions of Section 124 (6) of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Equity Shares held by the shareholders in respect of which dividend entitlements have remained unclaimed or unpaid for seven consecutive years has to be or more compulsorily transferred to the DEMAT account of the IEPF Authority by the Company within 30 days from the due date. Accordingly, 11,020 Equity Shares were transferred to the Authority's DEMAT Account with NSDL.

The Company has uploaded complete details of such shares on its website http://www.cybertech.com/investors/unclaimedShares.aspx Also, Shareholders whose names are appearing in the list in the aforesaid link shall claim refund from IEPF Authority by accessing the link : http://www.iepf. gov.in/IEPFA/refund.html and filling out the e-Form IEPF-5. The shareholders are requested to seek professional help while filling e-Form IEPF-5.

There are no Equity shares lying in suspense account/ unclaimed suspense account.

iv) **Corporate Social Responsibility Committee**

In compliance with Section 135 of the Companies Act, 2013, the Board has constituted the "Corporate Social Responsibility Committee" ('CSR Committee').

The terms of reference of CSR Committee includes formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, recommend the amount of expenditure to be incurred on the CSR activities, provide guidance on various CSR activities to be undertaken by the Company and monitor the CSR Policy of the Company from time to time.

In compliance with the amendments in the various provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued by the Ministry of Corporate Affairs vide its notification dated January 22, 2021, the Company had amended the Corporate Social Responsibility (CSR) Policy at the Board Meeting held on May 13, 2021. CSR Policy of the Company is available on the website:

https://www.cybertech.com/financialReports/corporatePolicies/Corporate%20Social%20Responsibility%20Policy.pdf

During the year under review, CSR Committee meeting was held on March 26, 2021, approving the CSR expenditure for the F.Y. 2020-21.

**The composition of Corporate Social Responsibility Committee and details of attendance of the members during the year 2020-21 are as under:**

| S. No. | Name | Designation & Category | No. of Meetings attended |
|---|---|---|---|
| 1 | Mr. Sudhir Joshi | Chairman, Independent Director | 1 |
| 2 | Mr. Vish Tadimety | Member, Non-Independent Director | 1 |
| 3 | Dr. N.L. Sarda | Member, Independent Director | 1 |
| 4 | Mr. Ramasubramanian Sankaran | Member, Non-Independent Director | 1 |

**4. GENERAL BODY MEETINGS**

**i. Location and time, where last three AGMs were held:**

| Year | Venue | Date | Time | Special Resolution(s) passed |
|---|---|---|---|---|
| 2017-18 | 'CyberTech House'<br>Plot No. B-63/64/65 Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West)-400604 | September 28, 2018 | 04.00 p.m. | (1) To re-appoint Mr. Ramasubramanian Sankaran (DIN:05350841) as an Executive Director of the Company and to approve his remuneration.<br>(2) To increase the aggregate limit of investment by Foreign Portfolio Investors in the Share Capital of the Company.<br>(3) To increase aggregate limit of investment by Non Resident Indians/OCI in Share Capital of the Company. |

| | | | | |
|---|---|---|---|---|
| 2018-19 | 'CyberTech House' Plot No. B-63/64/65 Road No. 21/34, J. B. Sawant Marg, MIDC, Wagle Estate, Thane (West) - 400604 | September 27, 2019 | 04.00 p.m. | (1) To re-appoint Mr. Sudhir Joshi as an Independent Director of the Company.<br>(2) To re-appoint Dr. N. L. Sarda as an Independent Director of the Company<br>(3) To re-appoint Dr. Shreepad Karmalkar as an Independent Director of the Company.<br>(4) To re-appoint Mr. M. P. Bharucha as an Independent Director of the Company.<br>(5) Payment of Commission to the Independent Directors of the Company. |
| 2019-20 | Through Video Conferencing/ Other Audio Visual Means (OAVM) | September 29, 2020 | 04.30 p.m. | NIL |

**ii. Details of special resolution passed through postal ballot:**

During the year under review, no resolution was passed through Postal Ballot.

**5 Disclosures**

**1. Statutory Compliance, Penalties/Strictures**

The Company has complied with rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital market.

No penalty or stricture has been imposed on the Company by the Stock Exchanges or SEBI on any matter related to the capital markets, during the last three years.

**2. Related Party Transactions**

The Company has adopted the Related Party Transaction Policy which is available on the website of the Company www.cybertech.com and can be accessed at weblink: https://www.cybertech.com/investors/corporate_policies.aspx

The details of all significant transactions with related parties are periodically placed before the Audit Committee. The Company has entered into related party transactions as set out in Note No. 34 to the Standalone Financial Statements of the Company which do not have potential conflict with the interests of the Company at large.

**3. Subsidiary**

During the year under review, the Company has material subsidiary as per the criteria specified in SEBI (LODR) Regulations, 2015. Further, the Company has adopted a policy on material subsidiaries and the same is uploaded on the website of the Company which can be accessed through the web-link: https://www.cybertech.com/investors/corporate_policies.aspx

**4. Vigil Mechanism / Whistle Blower Policy**

In line with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has formulated Vigil Mechanism Policy to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation, in a secure and confidential manner. The Company has also provided the complainant direct access to the Chairman of the Audit Committee. Further, no personnel have been denied access to the Audit Committee.

The Vigil Mechanism Policy has been placed on the website of the Company and web-link thereto is:
https://www.cybertech.com/investors/corporate_policies.aspx

**5. Compliance with Mandatory and Non-Mandatory Requirements**

The Company has complied with all the mandatory requirements of SEBI (LODR) Regulations, 2015 to the extent applicable.

**Non-Mandatory Requirements:**

| | Particulars | Status |
|---|---|---|
| **A.** | **The Board**<br>Non-Executive Chairperson may be entitled to maintain a Chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties. | Complied |
| **B.** | **Shareholders' Right**<br>A Half-Yearly declaration of financial performance including summary of significant events in last six-months, may be sent to each household of shareholders. | Complied, as the Company's half-yearly results are published in leading English and Marathi newspaper, and also uploaded on the website of the Company, hence, the same need not be sent to the shareholders of the Company. |
| **C.** | **Modified opinion in audit report**<br>The listed entity may move towards a regime of financial statements with unmodified opinion. | Complied, Auditor's Report on Audited Financial Results (Standalone and Consolidated) for the quarter and year ended March 31, 2021 is with un-modified opinion. |
| **D.** | **Separate posts of chairperson and chief executive officer**<br>The listed entity may appoint separate persons to the posts of chairperson and Managing Director or chief executive officer. | Complied, The Company has a Non-Executive Chairperson. Since there is No CEO, the Executive Director of the Company is entrusted with the day to day functions of the Company. |
| **E.** | **Reporting of internal auditor**<br>The internal auditor may report directly to the audit committee. | Complied, The Internal Auditors of the Company are present in each Audit Committee Meeting and directly interacts with Audit Committee Members. |

6. **Non-Compliance of any requirement of Corporate Governance Report of sub-paras (2) to (10) of schedule V of the SEBI (LODR) Regulations, 2015.**

   There are no non-compliances of any requirements of Corporate Governance Report of sub-paras (2) to (10) mentioned in schedule V of the SEBI (LODR) Regulations, 2015. Kindly refer Corporate Governance Reports filed quarterly/half yearly/annually for F.Y. 2020-21 on BSE & NSE by the Company on it's website : https://www.cybertech.com/investors/corporateGovernance.aspx

7. **The Company has complied the Compliance of Corporate Governance Requirements specified in Regulation 17 to 27 to the extent applicable and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015.**

8. **Disclosure of Accounting Treatment**

   The financial statements are prepared on accrual basis of accounting in accordance with the provisions of the Companies Act, 2013 (the Act) and comply in material aspects with the accounting standards, notified under Section 133 of the Act read with the Companies ( Indian Accounting Standards ) Rules, 2015.

9. **Code of Conduct for Directors and Senior Management Team**

   The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of SEBI (LODR) Regulations, 2015. The said code is available on the website of the Company and can be accessed through web-link: https://www.cybertech.com/investors/corporate_policies.aspx

   All the Board Members and Senior Management Personnel have affirmed compliance with Code of Conduct and Code of Conduct to Regulate Monitor and Report Trading by Insiders of the Company for the year ended March 31, 2021. A declaration to this effect signed by Mr. Ramasubramanian S., Executive Director of the Company forms part of this Report. ***(Enclosure I)***

10. **CEO/CFO Certification**

    In terms of requirement of Regulation 17(8) of SEBI (LODR) Regulations, 2015, Mr. Praveen Agarwal, Chief Financial Officer has furnished certificate to the Board in the prescribed format. The certificate has been reviewed by the Audit Committee and taken on record by the Board at the meeting held on May 13, 2021. The Certificate is attached as ***Enclosure II***

11. **Non-Disqualification of Directors & Certificate of Corporate Governance**

    Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A Certificate of Non Disqualification of Directors is attached as ***Enclosure III*** along with the Certificate of Corporate Governance as issued by our Secretarial Auditor M/s. S. Anantha & Ved LLP (LLP IN : AAH 8229), Company Secretaries, Mumbai ***(Enclosure IV)***

12. **Directors' Responsibility Statement**

    The draft Directors' Responsibility Statement signed by Executive Director on behalf of the Board dated May 13, 2021 which is included in the Board's Report for F.Y.2020-21, has been reviewed by the Audit Committee at its meeting held on May 13, 2021.

**13. Reconciliation of Share Capital Audit Report**

In terms of the provisions of Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, Reconciliation of Share Capital Audit was carried out on a quarterly basis by M/s. Anant Amdekar & Associates, Company Secretaries, Thane for F.Y. 2020-21 towards reconciliation of the total admitted capital with National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and those held in physical form with the total issued, paid up and listed capital of the Company. The audit report, inter alia, confirms that the Register of Members is duly updated and that demat/remat requests were confirmed within stipulated time etc. The said report is also submitted to BSE Limited and National Stock Exchange of India Limited.

**14. Risk Management Policy**

The Company has in place Risk Management System which takes care of risk identification, assessment and mitigation. There are no risks which in the opinion of the Board threaten the existence of the Company. Risk factors and its mitigation are covered extensively in the Management Discussion and Analysis Report forming part of this Board's Report.

**15. Code for Prevention of Insider Trading**

The Company has adopted a code of conduct to regulate, monitor and report trading by insiders for prevention of Insider Trading in the shares of the Company. The code, inter-alia, prohibits purchase /sale of shares of the Company by Directors and designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

https://www.cybertech.com/investors/corporate_policies.aspx

**16. Means of Communication**

- **Website:** The Company's website www.cybertech.com under investors Tab contains inter alia the updated information pertaining to quarterly, half-yearly and annual financial results, annual reports, official press releases, the investor/ analysts presentations, details of investor calls and meets, shareholding pattern, important announcements. The said information is available in a user friendly and downloadable form.
- **Financial Results:** The quarterly, half yearly and annual financial results of the Company are submitted to BSE Limited and National Stock Exchange of India Limited after approval of the Board of Directors of the Company. The results of the Company are published in one English daily newspaper and one Marathi newspaper within 48 hours of approval thereof.
- **Chairman's Communiqué:** The Chairman's Letter is distributed to shareholders at Annual General Meeting as a part of Annual Report. The document is also put on the Company's website and can be accessed at https://www.cybertech.com/Investor
- **Annual Report:** Annual Report containing inter alia Standalone Financial Statements, Consolidated Financial Statements, Board's Report, Auditors' Report, Corporate Governance Report is circulated to the members and others entitled thereto and is also available on website of the Company.
- **Designated Exclusive Email ID:** The Company has designated Email Id cssl.investors@cybertech.com exclusively for shareholder/investor servicing.
- **Reminder to Investors:** Reminders for unclaimed shares and unpaid dividend were sent to the shareholders as per our records with RTA during the year under review.
- **SCORES (SEBI Complaints Redressal System):** SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.
- **Uploading on NSE Electronic Application Processing System (NEAPS) & BSE Listing Centre:** The quarterly results, quarterly compliances and all other corporate communications to the Stock Exchanges are filed electronically on NEAPS for NSE and on BSE Listing Centre for BSE.
- **Email:** The financial results of the Company along with press release and investor presentation, if any, are sent by email to the shareholders who have registered their email id with the Company.

**17. General Shareholders' information:**

**a. Annual General Meeting for FY 2020-21**

Date : Wednesday, September 15, 2021

Time : 05:00 P.M.

Venue : Through Video Conferencing/Other Audio Visual Means

As required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015, particulars of Directors seeking appointment/re-appointment at the ensuing AGM are given in the Notice of the AGM to be held on **Wednesday, September 15, 2021**.

**b. Financial Calendar**

Year ending : March 31
AGM : in September
Dividend Payment : Within 30 days of declaration of dividend at the AGM, subject to shareholders approval.

**c. Date of Book Closure / Record Date** : Thursday, September 09, 2021 to Wednesday, September 15, 2021 (Both days inclusive)
Record date/cut-off date: Wednesday, September 08, 2021

**d. Financial Calendar for F.Y. 2021-22 (Tentative)** : Results for the Quarter ending
June 30, 2021 – Last week of July, 2021
September 30, 2021 – Second week of November, 2021
December 31, 2021 – Second week of February, 2022
March 31, 2022 – Second week of May, 2022
Annual General Meeting – September, 2022

**e. Listing on Stock Exchanges** : **National Stock Exchange of India Limited ("NSE")**
Exchange Plaza, C-1, Block G, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051

**BSE Limited**

P. J. Towers, Dalal Street Fort, Mumbai 400 001

Annual Listing Fees have been paid to the stock exchanges for the F.Y. 2020-21

The Company has paid the annual Custody Fees to Central Depository Services (India) Limited and National Securities Depository Limited for the F.Y. 2020-21

**f. Scrip Code/ Symbol** : NSE- CYBERTECH

BSE- 532173

**g. Market Price Data** : The monthly high and low market price of shares traded on BSE and NSE for F.Y. 2020-21 is as follows:

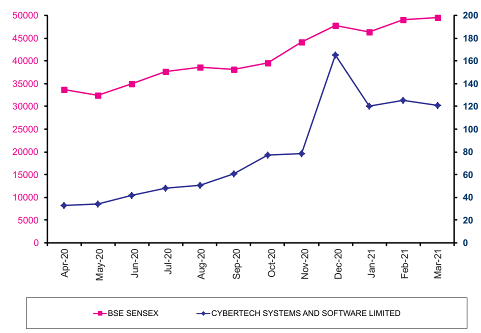
**(Amount in ₹)**

| **Month** | **BSE** | | **NSE** | |
|---|---|---|---|---|
| | **High** | **Low** | **High** | **Low** |
| April 2020 | 36.55 | 26.50 | 38.90 | 26.10 |
| May 2020 | 37.90 | 29.25 | 37.00 | 29.05 |
| June 2020 | 56.00 | 34.30 | 50.90 | 34.40 |
| July 2020 | 58.80 | 38.50 | 58.80 | 40.25 |
| August 2020 | 58.55 | 46.85 | 58.50 | 47.00 |
| September 2020 | 71.35 | 48.00 | 71.45 | 48.30 |
| October 2020 | 99.90 | 60.10 | 99.95 | 59.90 |
| November 2020 | 87.00 | 74.00 | 87.00 | 73.90 |
| December 2020 | 182.00 | 74.35 | 182.45 | 78.45 |
| January 2021 | 167.80 | 112.05 | 166.40 | 112.05 |
| February 2021 | 145.50 | 120.20 | 145.00 | 120.10 |
| March 2021 | 142.50 | 113.00 | 142.90 | 113.10 |

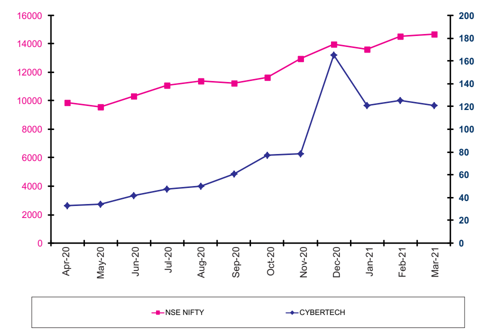
[Source: This information is compiled from the data available on the websites of BSE and NSE]

**h. Performance in comparison of broad based indices such as BSE-Sensex, CRISIL, Index, etc. :**

**BSE**




**NSE**



**i. Registrar and Transfer Agents**

**Link Intime India Private Limited**

**Unit : CyberTech Systems and Software Ltd.**

C-101, 247 Park, LBS Marg, Vikhroli (W), Mumbai – 400 083

T +91 22 49186000 | F +91 22 49186060

E mail: mumbai@linkintime.co.in | rnt.helpdesk@linkintime.co.in

**j. Share transfer system:**

Shares sent for transfer in physical form are generally registered and returned within a period of 15 days from the date of lodgement and Demat requests are normally confirmed within an average period of 15 days, provided the documents are clear and complete in all respect.

The Company obtains from a Company Secretary in Practice half-yearly certificate to the effect that all certificates have been issued within thirty days of the date of lodgment of the transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the SEBI (LODR) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

SEBI on June 8, 2018 notified SEBI (LODR) 4th amendment Regulation, 2018, regarding mandatory dematerialization for transfer of securities. Pursuant to the amendment to SEBI (LODR) Regulation, 2015 Shareholders holding Physical Shares Certificates are advised to ensure that shares which are lodged for transfer are mandatorily in dematerialized form with effect from April 1, 2019.

**k. Transfer of Unpaid / Unclaimed Amounts and Shares to Investor Education and Protection Fund:**

During the year under review, the Company has credited Unpaid / Unclaimed Amounts of dividends amounting to ₹ 2.88 Lakhs pertaining to FY 2012-13 to the Investor Education and Protection Fund (IEPF) and 11,020 Equity Shares of the Company were transferred to the Authority's DEMAT Account with NSDL pursuant to the provisions of the Companies Act, 2013.

The Company has uploaded on its website the details of unpaid and unclaimed amounts lying with the Company and details of shares transferred to IEPF during financial year https://www.cybertech.com/Investor

**l. Distribution of shareholding :**

**Summary of Shareholding Pattern as on March 31, 2021 :**

| Category of Shareholder | Number of Shareholders | % of Shareholders | Number of Shares held | % of Shareholding |
|---|---|---|---|---|
| Promoter & Promoter Group | 8 | 0.07 | 1,02,07,929 | 36.99 |
| Public | 25,857 | 99.93 | 1,73,91,164 | 63.01 |
| **Total** | **25,865*** | **100.00** | **2,75,99,093** | **100.00** |

* Difference in number of shareholders in shareholding pattern and distribution of shareholding is due to consolidation of folio no. /demat accounts of the shareholders on the basis of PAN in case of shareholding pattern.

**Distribution of Shareholding as on March 31, 2021:**

| Category of Shares | Number of Shareholders | % of Shareholders | Number of Shares held | % of Shareholding |
|---|---|---|---|---|
| 1 – 500 | 23346 | 88.5459 | 2653978 | 9.6162 |
| 501 - 1000 | 1584 | 6.0077 | 1274479 | 4.6178 |
| 1001 - 2000 | 703 | 2.6663 | 1034880 | 3.7497 |
| 2001 - 3000 | 232 | 0.8799 | 587236 | 2.1277 |
| 3001 - 4000 | 127 | 0.4817 | 456628 | 1.6545 |
| 4001 - 5000 | 79 | 0.2996 | 369921 | 1.3403 |
| 5001 - 10000 | 139 | 0.5272 | 1020085 | 3.6961 |
| 10001 and Above | 156 | 0.5917 | 20201886 | 73.1976 |
| **Total** | **26366** | **100.0000** | **27599093** | **100.0000** |

**Top Ten Shareholders of the Company as on March 31, 2021 :**

| S. No. | Name of the Shareholder | Number of equity shares held | Percentage of Holding (%) |
|---|---|---|---|
| 1 | Vish Tadimety | 5737189 | 20.79 |
| 2 | Indotech Holdings LLC | 3900000 | 14.13 |
| 3 | Steven Jeske | 2281433 | 8.27 |
| 4 | Joseph Michael Vanek | 1390000 | 5.04 |
| 5 | Sukhada Tadimety | 1121592 | 4.06 |
| 6 | Red Banyan Holdings LLC | 650000 | 2.36 |
| 7 | Prasad Rao Vellaturi | 445000 | 1.61 |
| 8 | Amarnath Gowda | 270161 | 0.98 |
| 9 | Aparna V. Goud | 259315 | 0.94 |
| 10 | B. Thimmadevi Goud | 255570 | 0.93 |

**m. Bifurcation of shares held in physical and demat form as on March 31, 2021 :**

| Particulars | No. of Shares | Percentage (%) |
|---|---|---|
| **Physical Segment** | 4,545,424 | 16.46 |
| **Demat Segment** | | |
| NSDL (A) | 17,447,032 | 63.22 |
| CDSL (B) | 5,606,637 | 20.32 |
| Total (A+B) | 23,053,669 | 83.54 |
| **Total** | **27,599,093** | **100.00** |

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is **INE214A01019**

**n. Outstanding GDRs /ADRs /Warrants or any Convertible instruments, Conversion date and likely impact on equity:**
Not applicable for the year under review.

**o. Plant Locations :** Not applicable

**p. Address for correspondence:**
Company Secretary and Compliance Officer
CyberTech Systems and Software Limited
CyberTech House', Plot No. B-63/64/65
Road No. 21/34, J. B. Sawant Marg, MIDC
Wagle Estate, Thane (W)-400604

**q. Disclosure pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 :**
Disclosure pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given in the Board's Report which forms part of this Annual Report of the Company.

**r. Debentures :**
The Company has not issued any debentures during the year under review.

**18 Disclosure of Commodity Price risk or Foreign Exchange Risk and Hedging Activities:**

The Company has Foreign Exchange exposures and the transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the period/year are recognized in the statement of profit and loss.

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non-monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**Derivative financial instruments :**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value, with changes in fair value recognized in Statement of Profit and Loss.

**19 Disclosure on Website:**

The relevant and necessary information / Codes / Policies as required by SEBI (LODR), Regulations, 2015 as amended from time to time have been hosted on the website of the Company and it can be accessed on the Weblink: https://www.cybertech.com/Investor

**20 Disclosure pursuant to Regulation 32 (7A) of the SEBI (LODR), Regulations, 2015:**

During the Financial Year under review, the Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the SEBI (LODR), Regulations, 2015.

Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances along with email address for grievance redressal and other relevant details are available on the website of the Company: https://www.cybertech.com/Investor

The Company has complied with all the requirements of corporate governance report as mentioned in sub-paras (2) to (10) of Para C of Schedule V of the SEBI (LODR), Regulations, 2015. The above-referred Policies / Codes have been revised from time to time as per requirements of the provision of SEBI LODR, 2015.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Vish Tadimety**
Chairman
DIN: 00008106

Place : Trevose PA, US
Date : May 13, 2021

**ENCLOSURE-I**

# Compliance with Code of Conduct

Pursuant to the Schedule V (Part D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ramasubramanian S. (DIN: 05350841), Executive Director of CyberTech Systems and Software Limited ("the Company") hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the 'Code of Conduct for Board of Directors and Senior Management' and 'the Code of Conduct to Regulate Monitor and Report Trading by Insiders' for the financial year ended March 31, 2021.

**For and on behalf of the Board of Directors**
**CyberTech Systems and Software Limited**

**Sd/-**
**Ramasubramanian S.**
**Executive Director**
**DIN: 05350841**

Place : Thane
Date : May 13, 2021

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**ENCLOSURE-II**

# C. F. O. Certification under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

I, Praveen Agarwal, Chief Financial Officer of CyberTech Systems and Software Ltd. pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and to the best of our knowledge and belief hereby certify:

(a) I have reviewed the financial statements and the cash flow statement for the year ended on March 31, 2021 and based on my knowledge and belief, I state that:

  (i) These statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading
  (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

(b) I further state that to the best of my knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal, or violative of the Company's code of conduct.

(c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficien¬cies in the design or operation of such internal controls, if any, of which I am aware and the steps have been taken or propose to taken to rectify these deficiencies.

(d) I have indicated, based on my most recent evaluation, wherever applicable, to the Auditors and Audit Committee:

  (i) Significant changes, if any, in the internal control over financial reporting during the year;
  (ii) Significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

.

**For CyberTech Systems and Software Ltd.**

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**ENCLOSURE-III**

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

***(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To
The Members
CyberTech Systems and Software Limited
CyberTech House, B-63-64-65 MIDC
Wagale Estate, J.B. Sawant Marg
Thane – 400604

We have examined the relevant registers, records, forms, returns and disclosures relating to the Directors of CyberTech Systems and Software Limited having CIN:L72100MH1995PLC084788 and having Registered Office at CyberTech House, B-63-64-65 MIDC, Wagle Estate, J.B. Sawant Marg Thane – 400 604 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications {including Directors Identification Number (DIN) status at the portal www.mca.gov.in} as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

| Sr. No. | Name of Directors | DIN | Date of appointment in Company # |
|---|---|---|---|
| 1. | Mr. Vish Tadimety | 00008106 | May 23, 1995 |
| 2. | Mr. Nandlal Laxminarayan Sarda | 00147782 | September 28, 2012 |
| 3. | Mr. Sudhir Moreshwar Joshi | 00349597 | September 30, 2010 |
| 4. | Mr. Marezban Padam Bharucha | 00361911 | September 30, 2011 |
| 5. | Mr. Steven Lloyd Jeske | 01964333 | December 22, 2007 |
| 6. | Mr. Shreepad Karmalkar | 03273896 | September 30, 2010 |
| 7. | Mr. Ramasubramanian Sankaran | 05350841 | August 04, 2015 |
| 8. | Ms. Amogha Tadimety | 06952042 | September 30, 2014 |
| 9. | Ms. Angela Cook Wilcox | 08068715 | February 13, 2018 |

# The date of appointment is as per the MCA website.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S. Anantha & Ved LLP**
**(LLP IN: AAH 8229)**
**Company Secretaries**

**Sd/-**
**Sachin Sharma**
Designated Partner
CP No.: 20423
UDIN: A046900B000347695

Place : Jodhpur
Date : May 13, 2021

**ENCLOSURE-IV**

# Certificate of Corporate Governance

To
The Members
CyberTech Systems and Software Limited
CyberTech House B-63-64-65
MIDC Wagle Estate J.B. Sawant Marg
Thane – 400 604

We have examined the compliance of conditions of Corporate Governance by CyberTech Systems and Software Limited ("Company") {CIN: L72100MH1995PLC084788}, stipulated in Regulations 17-27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the year 1st April, 2019 to 31st March, 2021.

We have conducted our examination on the basis of the relevant records and documents maintained by the Company and furnished to us for the purpose of the review and the information and explanations given to us by the Company during the course of such review.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management of the Company and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 Pandemic, we certify that the Company has in all material respect complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, as applicable.

**For S. Anantha & Ved LLP**
**(LLP IN: AAH 8229)**
**Company Secretaries**

**Sd/-**
**Sachin Sharma**
Designated Partner
CP No.: 20423
UDIN: A046900B000347739

Place : Jodhpur
Date : May 13, 2021

# CYBERTECH SYSTEMS AND SOFTWARE LIMITED
# STANDALONE
# FINANCIAL STATEMENTS
# FOR THE FINANCIAL YEAR 2020-21

# INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

**CYBERTECH SYSTEMS AND SOFTWARE LIMITED**

**Opinion**

We have audited the accompanying standalone financial statements of **CYBERTECH SYSTEMS AND SOFTWARE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its profit (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw your attention to the Note 44 of the standalone financial statements, with regard to Management's assessment of, inter-alia, recoverability / realisability of receivables (including unbilled receivables) of ₹ 670.19 lakhs and intangible assets of ₹ 711.38 lakhs due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these standalone financial statements, has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions and does not anticipate any material financial or operational issues in the short term as well as on a long-term basis.

Our report is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matters | Auditor's response |
|---|---|---|
| 1 | **Long overdue trade receivables of ₹ 397.99 lakhs (Net of Provision of ₹ 620.09 lakhs) and provisioning thereof: -**<br><br>Trade receivables comprise a significant portion of the Company's liquid assets. The Company has long overdue trade receivables of ₹ 397.99 Lakhs (net of provision of ₹ 620.09 Lakhs).<br><br>The most significant portion of overdue trade comprise large customers being city municipal corporations.<br><br>Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter. | **Audit procedure performed :-**<br><br>- We have evaluated and tested the Company's processes for trade receivables, including the proioning and collection processes.<br><br>- We assessed the validity of material long outstanding receivables by requesting third-party confirmations of amounts owed. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances.<br><br>- Where there were indicators that trade receivables were unlikely to be collected within contracted payment terms, we assessed the adequacy of the allowances for impairment of trade receivables.<br><br>- We considered whether the provisions were adequate and concluded that they were appropriate in all material respects, and disclosures related to trade receivable in the standalone financial statements are appropriate. |

**Information Other than the Standalone Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Board's Report including Annexures to Board report, Business responsibility report, Corporate Governance report and Management Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Based on the work we have performed, if we conclude that there is a material misstatement of this other information; we required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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

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

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

Materiality is the magnitude of misstatements in the standalone financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

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

As required by Section 143(3) of the Act, we report that:

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

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

(c) The Balance sheet, the Statement of Profit & Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on records by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No 33 to the standalone financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BAGARIA & CO. LLP**
**Chartered Accountants**
Firm Registration No: 113447W/W-100019

**Sd/-**
**Vinay Somani**
Partner
Membership No. 143503
UDIN: 20143503AAAAFY9631

Place : Mumbai
Date : May 13, 2021

**"ANNEXURE A"**

**ANNEXURE REFERRED TO IN PARAGRAPH "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT TO THE MEMBERS OF "THE CYBERTECH SYSTEMS AND SOFTWARE LIMITED" FOR THE YEAR ENDED 31st March, 2021**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we state that:

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

   b) The Company has regular programme of physical verification of its property, plant and equipment (fixed assets) by which all property, plant and equipment (fixed assets) are verified in a phased manner, over a period of three years. In our opinion, this periodicity of the physical verification is reasonable having regard to the size of the Company and nature of its property, plant and equipment (fixed assets). Pursuant to the programme, certain property, plant and equipment (fixed assets) were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

   c) Based on the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. The Company being a service Company, primarily rendering information technology services, it does not hold any physical inventories. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.

4. The Company has not granted any loans or provided any guarantees or security during the year and therefore, reporting of compliance of section 185 and 186 of the Act does not arise. The Company has complied with the provisions of Section 186 of the Act with respect to the investment made during the year.

5. No deposits within the meaning of directives issued by Reserve Bank of India and Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder have been accepted by the Company.

6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Act in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to the Company.

7. a) According a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income- tax, goods and service tax, duty of customs and other statutory dues applicable to the Company with appropriate authorities. No undisputed amounts in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.

   b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of income tax, Goods and service tax, duty of customs and other statutory dues which have not been deposited on account of any dispute.

8. The Company has not defaulted in repayment of loans or borrowings to banks during the year. The Company has not taken any loans or borrowings from financial institution, government or issued any debentures during the year.

9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loan during the year. Therefore, the provisions of clause 3 (ix) of the Order are not applicable to the Company.

10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud by or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.

11. According to the information and explanations given to us and based on examination of records of the Company, managerial remuneration paid or provided for during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, all transactions with the related party are in compliance with Section 177 and 188 of the Act and the details have been disclosed as required by the applicable Ind AS in Note 34 to the Standalone Financial Statements.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
15. Based on the information and explanations given to us, the Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with directors or persons connected with them during the year. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For BAGARIA & CO. LLP**
**Chartered Accountants**
Firm Registration No: 113447W/W-100019

**Sd/-**
**Vinay Somani**
Partner
Membership No. 143503
UDIN: 20143503AAAAFY9631

Place : Mumbai
Date : May 13, 2021

**"ANNEXURE B"**

**Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Act**

We have audited the internal financial controls over financial reporting of **CYBERTECH SYSTEMS AND SOFTWARE LIMITED** ("the Company") as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements; and (4) also provide reasonable assurance by the internal auditors through their internal audit reports given to the organisation from time to time.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has broadly, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For BAGARIA & CO. LLP**
**Chartered Accountants**
Firm Registration No: 113447W/W-100019

**Sd/-**
**Vinay Somani**
Partner
Membership No. 143503
UDIN: 20143503AAAAFY9631

Place : Mumbai
Date : May 13, 2021

# Standalone Balance Sheet as at March 31, 2021

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Non-current assets** | | | |
| Property, plant and equipment | **2** | 2,840.78 | 2,863.25 |
| Right of Use (RoU) - Lease | **3** | 21.28 | 21.78 |
| Capital work-in-progress | **4** | 7.26 | 251.28 |
| Investment property | **5** | 852.42 | 872.39 |
| Intangible assets | **6** | 711.38 | 308.19 |
| Intangible assets under development | **7** | - | 554.67 |
| Financial assets | | | |
| Investments | **8** | 2,185.23 | 2,144.71 |
| Other financial assets | **9** | 115.81 | 25.14 |
| Other non - current assets | **10** | 6.69 | 3.06 |
| **Total non-current assets** | | **6,740.85** | **7,044.47** |
| | | | |
| **2 Current assets** | | | |
| Financial assets | | | |
| Investments | **11** | 1,230.92 | 1,364.27 |
| Trade receivables | **12** | 2,863.66 | 2,963.20 |
| Cash and cash equivalents | **13** | 436.06 | 67.78 |
| Bank balances other than above | **14** | 729.44 | 554.44 |
| Loans | **15** | 3.33 | 5.96 |
| Other financial assets | **16** | 216.53 | 163.61 |
| Current Tax Assets (Net) | **25** | 100.68 | - |
| Other current assets | **17** | 65.12 | 104.91 |
| **Total current assets** | | **5,645.74** | **5,224.17** |
| **Total assets** | | **12,386.59** | **12,268.64** |

# Standalone Balance Sheet as at March 31, 2021

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **II EQUITY AND LIABILITIES** | | | |
| **1 Equity** | | | |
| Equity share capital | **18** | 2,759.91 | 2,751.56 |
| Other equity | **19** | 8,164.25 | 6,876.32 |
| **Total equity** | | **10,924.16** | **9,627.88** |
| | | | |
| **2 Liabilities** | | | |
| **A Non-current liabilities** | | | |
| Financial liabilities | | | |
| Other financial liabilities | **20a** | 124.16 | 191.98 |
| Deferred tax liabilities (net) | **41** | 102.97 | 133.02 |
| **Total non current liabilities** | | **227.13** | **325.00** |
| **B Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | **21** | 180.76 | 276.88 |
| Trade payables | **22** | | |
| -Total outstanding dues of micro enterprises and small enterprises | | 12.91 | 16.00 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 554.07 | 497.71 |
| Other financial liabilities | **20b** | 33.08 | 115.61 |
| Other current liabilities | **23** | 201.66 | 126.27 |
| Provisions | **24** | 252.82 | 238.93 |
| Current tax liabilities (net) | **25** | - | 1,044.36 |
| **Total current liabilities** | | **1,235.30** | **2,315.76** |
| **Total equity and liabilities** | | **12,386.59** | **12,268.64** |

**Significant Accounting Policies** **1B**

The accompanying notes are an integral part of the standalone financial statements

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**For and on behalf of the Board of Directors**

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

Place: Mumbai
Date : May 13, 2021

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

**CyberTech**
**Systems and Software Limited**

# Standalone Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

| | Particulars | Note | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| I | Revenue from Operations | 26 | 6,780.43 | 6,215.13 |
| II | Other income | 27 | 550.92 | 619.67 |
| III | **Total Income (I + II)** | | **7,331.35** | **6,834.80** |
| | | | | |
| IV | **Expenses** | | | |
| | Cost of hardware/software package for service delivery and outsourced project cost | | 127.05 | 161.95 |
| | Employee benefits expense | 28 | 4,582.92 | 3,918.39 |
| | Finance costs | 29 | 23.96 | 48.57 |
| | Depreciation and amortisation expense | 30 | 562.75 | 437.71 |
| | Other expenses | 31 | 1,028.05 | 895.62 |
| | **Total expenses (IV)** | | **6,324.73** | **5,462.24** |
| | | | | |
| V | **Profit before tax (III - IV)** | | **1,006.62** | **1,372.56** |
| | | | | |
| VI | **Tax expense** | | | |
| | Current tax | 41 | 272.48 | 341.22 |
| | Deferred tax credit | 41 | (18.99) | (27.71) |
| | Tax adjustments for earlier years | 41 | (815.96) | - |
| | | | **(562.47)** | **313.51** |
| VII | **Profit for the year (V - VI)** | | **1,569.09** | **1,059.05** |
| | | | | |
| VIII | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified to profit or loss- Gain/(Loss)** | | | |
| | Remeasurements of net defined benefit plans | | (43.94) | (45.38) |
| | Income tax relating to items that will not be reclassified to profit or loss | 41 | 11.06 | 11.42 |
| | **Other Comprehensive Income /(Loss) for the year (VIII)** | | **(32.88)** | **(33.96)** |
| | | | | |
| IX | **Total Comprehensive Income for the year (VII - VIII)** | | **1,536.21** | **1,025.09** |
| | | | | |
| X | **Earnings per equity share of ₹ 10 each:** | | | |
| | Basic | 32 | 5.70 | 3.85 |
| | Diluted | 32 | 5.59 | 3.82 |
| | **Significant Accounting Policies** | 1B | | |
| | The accompanying notes are an integral part of the standalone financial statements | | | |

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

Place : Mumbai
Date : May 13, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

Place : Thane
Date : May 13, 2021

# Standalone Statement of Cash Flows for the year ended March 31, 2021

(₹ in Lakhs)

| | Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | | | |
| | **Profit before tax** | | **1,006.62** | | **1,372.56** |
| | **Adjustments to reconcile net profit to net cash provided by operating activities :** | | | | |
| | Depreciation and amortisation expense | 562.75 | | 437.71 | |
| | Unrealised foreign exchange gain/(loss) | (10.81) | | 7.16 | |
| | Loss on assets disposed / discarded (net) | 1.82 | | 1.76 | |
| | Interest income | (56.46) | | (12.31) | |
| | Finance Cost | 23.96 | | 48.57 | |
| | Provision for doubtful receivables, deposits & expected Credit losses | 324.90 | | 31.69 | |
| | Sundry credit balances written back (net) | (0.69) | | (0.92) | |
| | Employee share based payments | 12.30 | | 19.14 | |
| | Loss /(Profit) on sale of mutual funds | (17.22) | | 16.13 | |
| | Gain on fair valuation of Investments in mutual funds | (92.47) | | (55.86) | |
| | | | **748.08** | | **493.08** |
| | **Operating profit before working capital changes** | | **1,754.70** | | **1,865.64** |
| | **Adjustments for:** | | | | |
| | Increase / (Decrease) in Trade receivables | (214.55) | | 169.24 | |
| | (Increase) in loans, other financial assets and other assets | 25.64 | | (99.10) | |
| | Increase in Trade, other financial liabilities and other liabilities | (50.02) | | 118.82 | |
| | | | **(238.93)** | | **188.96** |
| | **Cash generated from operations** | | **1,515.77** | | **2,054.60** |
| | Direct taxes paid (net) | | (601.56) | | (296.24) |
| | **Net cash flow generated from operating activities (A)** | | **914.21** | | **1,758.36** |
| | | | | | |
| **B.** | **Cash flow from investing activities** | | | | |
| | Purchase of property, plant & equipment (Including Capital work-in-progress) | | (102.73) | | (381.61) |
| | Purchase of Intangible assets | | (28.06) | | (140.18) |
| | Sale of property, plant & equipment | | 1.67 | | 0.62 |
| | Purchase of investments | | (146.67) | | (1,397.94) |
| | Sale of investments | | 349.18 | | 1,789.53 |
| | Fixed deposits placed with banks | | (274.16) | | - |
| | Interest received | | 27.15 | | 12.31 |
| | **Net cash flow used in investing activities (B)** | | **(173.62)** | | **(117.27)** |

## Standalone Statement of Cash Flows for the year ended March 31, 2021

(₹ in Lakhs)

| | | | |
|---|---|---|---|
| **C.** | **Cash flow from financing activities** | | |
| | Proceeds/(repayments) from short-term borrowings (net) (refer note 1 below) | (96.12) | (1,506.83) |
| | Proceeds for equity issue under ESOP (including securities premium) | 23.21 | - |
| | Finance costs paid | (23.96) | (48.57) |
| | Dividend and dividend tax paid thereon | (275.44) | (331.72) |
| | **Net cash flow used in financing activities (C)** | **(372.31)** | **(1,887.12)** |
| | **Net Increase/ (decrease) in cash & cash equivalents (A + B + C)** | **368.28** | **(246.03)** |
| | Cash & cash equivalents - Opening | 67.78 | 313.81 |
| | Cash & cash equivalents - Closing | **436.06** | **67.78** |

**Note 1**

| **Changes in liability arising from financing activities** | **As on April 1, 2020** | **Cash Flows/ (Repayment)** | **As at March 31, 2021** |
|---|---|---|---|
| Borrowings - Current (Refer note no. 21) | 276.88 | (96.12) | 180.76 |

**Significant Accounting Policies** **1B**

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**For and on behalf of the Board of Directors**

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

Place: Mumbai
Date : May 13, 2021

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

# Standalone Statement of changes in equity for the year ended March 31, 2021

**(A) Equity Share Capital**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2019** | **2,751.56** |
| Changes in share capital during the year | - |
| **Balance as at March 31, 2020** | **2,751.56** |
| Changes in share capital during the year | 8.35 |
| **Balance as at March 31, 2021** | **2,759.91** |

**(B) Other Equity**

(₹ in Lakhs)

| Particulars | Capital reserve | Securities premium | Equity settled employee benefits reserve | Retained earnings | Other items of other comprehensive Income {actuarial gains/(losses)} | Total |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2019** | **167.50** | **1,715.54** | **175.49** | **4,129.54** | **(24.28)** | **6,163.79** |
| Profit for the year | - | - | - | 1,059.05 | - | 1,059.05 |
| Other comprehensive income/(loss) for the year | - | - | - | - | (33.96) | (33.96) |
| Transfer on account of Grant of Stock Options | - | - | 19.14 | - | - | 19.14 |
| Dividend paid (including dividend distribution tax of ₹ 55.81 Lakhs) | - | - | - | (331.72) | - | (331.72) |
| **Balance as at March 31, 2020** | **167.50** | **1,715.54** | **194.63** | **4,856.87** | **(58.24)** | **6,876.32** |
| Profit for the year | - | - | - | 1,569.09 | - | 1,569.09 |
| Other comprehensive income/(loss) for the year | - | - | - | - | (32.88) | (32.88) |
| Transfer on account of Grant of Stock Options | - | - | 12.30 | - | - | 12.30 |
| Transfer for exercise of Stock Options | - | 14.86 | - | - | - | 14.86 |
| Transfer on account of Stock Options not exercised/forfeited during the year | - | 12.34 | (38.82) | 26.48 | - | - |
| Dividend paid | - | - | - | (275.44) | - | (275.44) |
| **Balance as at March 31, 2021** | **167.50** | **1742.70** | **168.15** | **6177.00** | **(91.12)** | **8,164.25** |

**Significant Accounting Policies** **1B**

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**For and on behalf of the Board of Directors**

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
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Director
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Place : California (USA)

Place : Mumbai
Date : May 13, 2021

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

# Notes to Standalone financial statements for the year ended March 31, 2021

**'NOTE '1'**

**A. CORPORATE INFORMATION:**

Cybertech Systems and Software Limited (the 'Company'), having registered number L72100MH1995PLC084788 was incorporated on January 19, 1995. Along with its subsidiaries in USA, the Company provides Information Technology services to customers primarily in USA and India with focus on next-generation geospatial, networking and enterprise IT solutions. The Company offers services that span across all major industries including government, education, utilities, public safety & homeland defence, technology, telecom, retail, healthcare, and manufacturing. The Company is focused on delivering its development and support projects on an offshore basis.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Thane, India. The Company has its primary listings on the BSE Limited and National Stock Exchange Limited in India.

**B. SIGNIFICANT ACCOUNTING POLICIES:**

**(i) Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value - Refer note no.1(B)(viii)

(ii) Defined benefit employee plan - Refer note no.1(B)(xiii)

(iii) Derivative Financial instruments - Refer note no.1(B)(vii)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

The financial statements are presented in INR, the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**(ii) Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Critical accounting judgements and key source of estimation uncertainty**

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Refer Note no. 1(B)(viii)

(b) Estimation of deferred tax expenses and payable - Refer note no. 1(B)(xvi)

**(iii) Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

## Notes to Standalone financial statements for the year ended March 31, 2021

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

**(iv) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets under development comprises of capitalisation of Payroll costs of those employees directly associated with Software Development.

**(v) Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

**(vi) Depreciation and Amortization:**

**(a) Property plant and equipment (PPE)**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**(b) Intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively based on revised estimates.

Intangible assets are amortised over their estimated useful life on a straight line basis as follows:

Type of Asset : Computer software

Useful life: 4 years

**(vii) Financial Instruments:**

**Financial assets - Initial recognition:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**Subsequent measurement:**

Financial assets are subsequently classified as measured at:
- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

## Notes to Standalone financial statements for the year ended March 31, 2021

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

**(i) Measured at amortised cost:**

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

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income'.

**Impairment**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss.

For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

## Notes to Standalone financial statements for the year ended March 31, 2021

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, 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.

**Financial Liabilities**

**Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

**De-recognition**

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 recognized in the statement of profit and loss.

**Derivative financial instruments**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(viii) Fair Value Measurement**

The Company measures financial instruments, such as, derivatives, investments 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:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.:

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## Notes to Standalone financial statements for the year ended March 31, 2021

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(ix) Investment in Subsidiary**

Investment in Subsidiary has been carried at Cost less Accumulated impairment, if any.

**(x) Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**(xi) Foreign Currency Transactions:**

**a) Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

**b) Measurement of Foreign Currency Items at the Balance Sheet Date**

Foreign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**(xii) Revenue Recognition:**

The Company derives revenues primarily from information technology services comprising of software development, consulting and customer support services, and from the licensing of software products and platforms.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Arrangements with customers for information technology services are either on a fixed-price, fixed-time frame or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-time frame 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.

Revenues in excess of invoicing are classified as contract assets (which refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which refer to as Income billed in advance).Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements : license, implementation and Annual Maintenance Services (AMS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license

## Notes to Standalone financial statements for the year ended March 31, 2021

and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMS revenue is recognized ratably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

**Dividend**

Dividend Income is recognized when right to receive the same is established.

**(xiii) Employee Benefits:**

The Company has provides following post-employment plans:

(a) Defined benefit plans such a gratuity

(b) Defined contribution plans such as Provident fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit & Loss.

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling

are recognised in the period in which they occur directly in 'Other comprehensive income'. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

**b) Defined-contribution plan:**

Under defined contribution plans, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefits:**

(a) 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 a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

**(xiv) Taxes on Income:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**(xv) Borrowing Costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets 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 recognized as an expense in the period in which they are incurred.

**(xvi) Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(xvii) Leases:**

**Where the Company is 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.

## Notes to Standalone financial statements for the year ended March 31, 2021

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.

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.

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.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 if 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.

**Where the Company is Lessor**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**(xviii) Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

## Notes to Standalone financial statements for the year ended March 31, 2021

### 2 Property, plant and equipment

(₹ in Lakhs)

| Particulars | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | |
| **Balance as at April 1, 2019** | **23.78** | **1,812.60** | **304.95** | **1206.33** | **49.92** | **74.19** | **344.92** | **3,816.69** |
| Additions | - | - | 4.95 | 1.62 | - | 6.38 | 153.31 | 166.26 |
| Disposals/reclassified on account of adoption of Indas 116 | 23.78 | - | 4.19 | 16.44 | - | - | 31.52 | 75.93 |
| **Balance as at March 31, 2020** | **-** | **1,812.60** | **305.71** | **1,191.51** | **49.92** | **80.57** | **466.71** | **3,907.02** |
| Additions | | 251.28 | | | | | 92.48 | 343.76 |
| Adjustments/Disposals | - | - | 2.90 | 18.90 | 6.41 | 30.80 | | 59.01 |
| **Balance as at March 31, 2021** | **-** | **2,063.88** | **302.81** | **1,172.61** | **43.51** | **49.77** | **559.19** | **4,191.77** |
| | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | |
| **Balance as at April 1, 2019** | **1.50** | **127.34** | **140.89** | **336.53** | **21.76** | **26.11** | **138.56** | **792.71** |
| Depreciation charged for the year | - | 39.95 | 34.58 | 120.46 | 7.38 | 13.58 | 86.38 | 302.33 |
| Disposals/reclassified on account of adoption of Indas 116 | 1.50 | - | 3.98 | 15.91 | - | - | 29.88 | 51.27 |
| **Balance as at March 31, 2020** | **-** | **167.29** | **171.49** | **441.08** | **29.14** | **39.69** | **195.06** | **1,043.77** |
| Depreciation charged for the year | | 99.64 | 23.45 | 120.93 | 5.23 | 10.10 | 103.39 | 362.74 |
| Adjustments/Disposals | | | 2.75 | 18.27 | 6.09 | 28.41 | | 55.52 |
| **Balance as at March 31, 2021** | **-** | **266.93** | **192.19** | **543.74** | **28.28** | **21.38** | **298.45** | **1,350.99** |
| | | | | | | | | |
| **Net Block** | | | | | | | | |
| **Balance as at March 31, 2020** | **-** | **1,645.31** | **134.22** | **750.43** | **20.78** | **40.88** | **271.65** | **2,863.25** |
| **Balance as at March 31, 2021** | **-** | **1,796.95** | **110.62** | **628.87** | **15.23** | **28.39** | **260.74** | **2,840.78** |

**Notes:**

a. Refer note no. 21 for disclosure on property, plant and equipment pledged as security.

b. Refer note no. 33 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

### 3 Right of use (RoU)-Lease

(₹ in Lakhs)

| Particulars | Land (Leasehold) |
|---|---|
| **Gross carrying amount** | |
| **Balance as at April 1, 2019** | **22.28** |
| Additions | - |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2020** | **22.28** |
| Additions/reclassified on account of adoption of Indas 116 | - |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2021** | **22.28** |
| | |
| **Accumulated Depreciation** | |
| **Balance as at April 1, 2019** | **-** |
| Depreciation charge for the year | 0.50 |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2020** | **0.50** |
| Depreciation charge for the year | 0.50 |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2021** | **1.00** |
| | |
| **Net Block** | |
| **Balance as at March 31, 2020** | **21.78** |
| **Balance as at March 31, 2021** | **21.28** |

Right of Use comprises land taken on lease for 66 years from September, 1997.

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 4 Capital work-in progress | Building | Office Equipments | Computers | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | **251.28** | **2.26** | **3.10** | **256.64** |
| Additions during the year | - | - | - | - |
| Capitalised during the year | - | 2.26 | 3.10 | 5.36 |
| **Balance as at March 31, 2020** | **251.28** | **-** | **-** | **251.28** |
| Additions during the year | - | - | 7.26 | 7.26 |
| Capitalised during the year | 251.28 | - | - | 251.28 |
| **Balance as at March 31, 2021** | **-** | **-** | **7.26** | **7.26** |

**5 Investment Property**

(₹ in Lakhs)

| Particulars | Buildings |
|---|---|
| **Gross carrying amount** | |
| **Balance as at April 1, 2019** | **943.63** |
| Additions | - |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2020** | **943.63** |
| Additions | - |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2021** | **943.63** |
| | |
| **Accumulated depreciation** | |
| **Balance as at April 1, 2019** | **51.26** |
| Depreciation charged for the year | 19.98 |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2020** | **71.24** |
| Depreciation charged for the year | 19.97 |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2021** | **91.21** |
| **Net Block** | |
| **Balance as at March 31, 2020** | **872.39** |
| **Balance as at March 31, 2021** | **852.42** |

**Note:**

a) Refer note no. 21 for certain Investment Property mortgaged as collateral security against bank borrowings

b) Refer note no. 37 for information regarding income and expenditure of Investment property

c) Investment property include ₹ 0.04 lakhs (previous year ₹ 0.04 Lakhs) being the value of 80 (Previous Year 80) shares of ₹ 50 each in Acme Plaza Premises Co-operative Society Ltd.

d) **Fair value of investment property**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investment Property** | **3,953.94** | **3,930.50** |

The fair value of investment property has been determined based on the Ready Reckoner value prevailing as on the date of Balance Sheet, which is considered to be best benchmarking of current prices in an active market

(₹ in Lakhs)

| 6 Intangible assets | Software |
|---|---|
| **Balance as at April 1, 2019** | **468.59** |
| Additions | 356.68 |
| Disposals | - |
| **Balance as at March 31, 2020** | **825.27** |
| Additions | 582.73 |
| Disposals | - |
| **Balance as at March 31,2021** | **1,408.00** |

## Notes to Standalone financial statements for the year ended March 31, 2021

| | |
|---|---|
| **Accumulated amortisation** | |
| **Balance as at April 1, 2019** | **402.18** |
| Amortisation for the year | 114.90 |
| Adjustment on deletion | - |
| **Balance as at March 31, 2020** | **517.08** |
| Amortisation for the year | 179.54 |
| Adjustment on deletion | - |
| **Balance as at March 31, 2021** | **696.62** |
| **Net Block** | |
| **Balance as at March 31, 2020** | **308.19** |
| **Balance as at March 31, 2021** | **711.38** |

(₹ in Lakhs)

| **7 Intangible assets under development** | **Software** |
|---|---|
| **Balance as at April 1, 2019** | **656.27** |
| Additions during the year | 240.38 |
| Capitalised during the year | 341.98 |
| **Balance as at March 31, 2020** | **554.67** |
| Additions during the year | - |
| Capitalised during the year | 554.67 |
| **Balance as at March 31, 2021** | **-** |

(₹ in Lakhs)

| **8 Investments - Non-Current** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Unquoted, fully paid up** | | |
| ***Equity Instruments, Carried at Cost*** | | |
| **Investment in wholly owned subsidiaries** | | |
| **Investment in Cybertech Systems and Software Inc., USA** | | |
| 1,585,000 (As at March 31, 2020- 1,585,000) common stocks of USD 0.01 each | 725.65 | 725.65 |
| 1,500,000 ( As at March 31,2020- 1,500,000) common stocks of USD 1.00 each | 808.39 | 808.39 |
| | **1,534.04** | **1,534.04** |
| **Investment in Spatialitics LLC., USA** | | |
| 6,00,000 ( As at March 31, 2020- 400,000) units of USD 1.00 each | 426.97 | 280.30 |
| | **1,961.01** | **1,814.34** |
| | | |
| ***Investments in Mutual Funds*** | | |
| ***Designated as Fair Value Through Profit or Loss*** | | |
| UTI Income Opportunities Fund - Dir - Growth segregated Nil (As at March 31, 2020- 3,432,014.329) units of ₹ 10 each | - | 6.80 |
| UTI Money Market Fund - Dir - Growth 9,361.619 (As at March 31, 2020- 14,268.641) units of ₹ 10 each | 224.22 | 323.57 |
| | **224.22** | **330.37** |
| | **2,185.23** | **2,144.71** |
| | | |
| **Note:** | | |
| Aggregate amount of quoted investments and fair value thereof | - | - |
| Aggregate amount of unquoted investments and fair value therof at Net Asset Value | **2,185.23** | **2,144.71** |
| Aggregate amount of impairment in value of investments | - | - |

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 9 Other financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non Current** | | |
| **Unsecured, considered good** | | |
| Security Deposits | 15.72 | 25.14 |
| Fixed Deposit with banks having maturity more than 12 months | 100.00 | - |
| Interest receivable on Fixed Deposits | 0.09 | - |
| **Total** | **115.81** | **25.14** |

(₹ in Lakhs)

| 10 Other non-current assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital advances | 1.97 | - |
| Prepaid expenses | 4.72 | 3.06 |
| **Total** | **6.69** | **3.06** |

(₹ in Lakhs)

| 11 Investments - current | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Designated as Fair Value Through Profit and Loss** | | |
| **Unquoted. fully paid up** | | |
| | | |
| **Investments in Mutual Funds** | | |
| UTI Fixed Term Income Fund Series- XXX - X (1267 Days) - Direct Growth Plan-xxx-x (1267 days) Institutional Growth Plan 1,000,000.000 (As at March 31,2020- 1000,000.000) units of ₹ 10 each | 126.36 | 116.28 |
| BNP Paribas Corporate Liquid Fund - Dir - Growth Nil (As at March 31, 2020-6,995.356) units of ₹ 10 each | - | 213.89 |
| HDFC Money Market Fund - Dir - Growth 12,318.864 (As on March 31, 2020 12,318.864) units of ₹ 10 each | 551.13 | 519.83 |
| HDFC Low Duration Fund - Dir - Growth 1,163,284.216 ( As on March 31, 2020 1,163,284.216) units of ₹ 10 each | 553.43 | 514.27 |
| **Total** | **1,230.92** | **1,364.27** |
| **Note:** | | |
| Aggregate amount of quoted investments and market value thereof | - | - |
| Aggregate amount of unquoted investments and fair value therof at Net Asset Value | **1,230.92** | **1,364.27** |
| Aggregate amount of impairment in value of investments | - | - |

(₹ in Lakhs)

| 12 Trade receivables | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured** | | |
| Trade receivables considered good | 2,863.66 | 2,963.20 |
| Trade receivables which have significant increase in credit risk | 620.09 | 295.19 |
| **Total** | **3,483.75** | **3,258.39** |
| Less: Provision for doubtful debts and expected credit loss | 620.09 | 295.19 |
| **Total** | **2,863.66** | **2,963.20** |

(₹ in Lakhs)

| 13 Cash and cash equivalents | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balances with banks** | | |
| In current accounts | 435.35 | 65.54 |
| **Cash on hand** | **0.71** | **2.24** |
| **Total** | **436.06** | **67.78** |

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 14 Bank balances other than above | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balances with Banks** | | |
| in fixed deposit accounts * | | |
| -Deposits with maturity more than 3 months but less than 12 months | 711.82 | 537.66 |
| in unpaid dividend accounts | 17.62 | 16.78 |
| | **729.44** | **554.44** |
| *Fixed Deposits with Banks held as margin money against the following: Guarantees issued to Municipal Corporations | 42.91 | 41.66 |

(₹ in Lakhs)

| 15 Loans | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Uncecured, considered good** | | |
| Loans to employees | 3.33 | 5.96 |
| **Total** | **3.33** | **5.96** |

(₹ in Lakhs)

| 16 Other financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured, considered good, unless otherwise stated** | | |
| Unbilled revenue | 145.05 | 143.53 |
| | | |
| Security deposits | | |
| Considered good | 26.71 | 17.70 |
| Considered doubtful | 3.15 | 4.40 |
| **Total** | **29.86** | **22.10** |
| Less: Provision for doubtful deposits | 3.15 | 4.40 |
| | **26.71** | **17.70** |
| | | |
| Interest receivable on deposits | 29.22 | 2.38 |
| Derivative Financial Assets (forex contracts) | 15.55 | - |
| **Total** | **216.53** | **163.61** |

(₹ in Lakhs)

| 17 Other current assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured, considered good** | | |
| Advances for supply of goods and rendering of services | 3.62 | 44.51 |
| Prepaid expenses | 36.57 | 37.97 |
| Lease equalisation | - | 0.70 |
| Advances to employees | 10.74 | 13.83 |
| Balances with government authorities | 14.19 | - |
| Other receivables | - | 7.90 |
| **Total** | **65.12** | **104.91** |

(₹ in Lakhs)

| 18 Equity share capital | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised** | | |
| **36,000,000** Equity Shares of ₹ 10 each | 3,600.00 | 3 ,600.00 |
| | **3,600.00** | **3 ,600.00** |
| **Issued** | | |
| **27,604,052** (As at March 31, 2020- 27,520,552) Equity Shares of ₹ 10 each | 2,760.41 | 2,752.06 |
| | **2,760.41** | **2,752.06** |

## Notes to Standalone financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| **Subscribed and paid-up** | | |
| **27,599,093** (As at March 31, 2020- 27,515,593) Equity Shares of ₹ 10 each * | 2,759.91 | 2,751.56 |
| | **2,759.91** | **2,751.56** |

*[Allotment of **4,959** (Previous Year 4,959) bonus shares on **3,967** (Previous Year 3,967) equity shares is pending on account of non-establishment of beneficial ownership by National Securities Depository Limited]

(₹ in Lakhs)

**a) Reconciliation of number of shares**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| **Equity Shares :** | | | | |
| Balance as at the beginning of the year | 27,515,593 | 2,751.56 | 27,515,593 | 2,751.56 |
| Add: Shares issued on exercise of employee stock options | 83,500 | 8.35 | - | - |
| (Refer note no:-43) | | | | |
| **Balance as at the end of the year** | **27,599,093** | **2,759.91** | **27,515,593** | **2,751.56** |

**b) Rights, preferences and restrictions attached to shares**

The Company has only one class of equity shares having a face value of ₹10 per share. Each shareholder has a right to vote in respect of such share, on every resolution and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors in proportion to their shareholding.

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

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Nos.** | **%** | **Nos.** | **%** |
| Vish Tadimety | 5,737,189 | 20.79% | 5,732,189 | 20.83% |
| Indotech Holdings LLC | 3,900,000 | 14.13% | 3,900,000 | 14.17% |
| Steven Jeske | 2,281,433 | 8.27% | 2,431,433 | 8.84% |
| Joseph M Vanek (w.e.f. Oct 18, 2019) | 1,390,000 | 5.04% | 1,385,000 | 5.03% |

**d) During the previous five years, the Company has not issued Bonus shares/bought back shares/issued shares for consideration other than cash.**

**e) Refer note no. 43 in respect of Employee Stock Option Plan (ESOP Plan)**

### 19 Other Equity

(₹ in Lakhs)

| **Particulars** | **Capital reserve** | **Securities premium** | **Equity settled employee benefits reserve** | **Retained earnings** | **Other items of other comprehensive Income {actuarial gains/(losses)}** | **Total** |
|---|---|---|---|---|---|---|
| **Balance as at March 31, 2020** | **167.50** | **1,715.54** | **194.63** | **4,856.87** | **(58.24)** | **6,876.32** |
| Profit for the year | - | - | - | 1,569.09 | - | 1,569.09 |
| Other comprehensive income/(loss) for the year | - | - | - | - | (32.88) | (32.88) |
| Transfer on account of Grant of Stock Options | - | - | 12.30 | - | - | 12.30 |
| Transfer for exercise of Stock Options | - | 14.86 | - | - | - | 14.86 |
| Transfer on account of Stock Options not exercised/forfeited during the year | - | 12.34 | (38.82) | 26.48 | - | - |
| Dividend paid | - | - | - | (275.44) | - | (275.44) |
| **Balance as at March 31, 2021** | **167.50** | **1742.70** | **168.15** | **6177.00** | **(91.12)** | **8,164.25** |

## Notes to Standalone financial statements for the year ended March 31, 2021

**Purpose of the reserves:**

1 **Capital reserve:** Capital reserve represents the forfeiture of application money received against share warrants.

2 **Securities premium:** The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value of option on grant date and exercise price of share is transferred from equity settled share based payment reserve to securities premium at the time of exercise of options.

3 **Equity settled employee benefits reserve:** The fair value of the equity-settled employee benefits reserve with employees is recognised in Statement of Profit and Loss with corresponding credit to Equity settled share employee benefit reserve. The same is transferred to securities premium at the time of exercise of options or to retained earnings in the event of forfeiture, non-vesting or lapse.

4 **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less dividends or other distributions paid to shareholders.

**(₹ in Lakhs)**

| **20 Other financial liabilities** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Measured at amortised cost** | | |
| **a) Non-current** | | |
| Security deposits received against leased premises | 124.16 | 191.98 |
| | | |
| **Non-current total (A)** | **124.16** | **191.98** |
| | | |
| **b) Current** | | |
| Unclaimed Dividend* | 17.62 | 16.67 |
| Payable for capital expenditure | 12.15 | 13.20 |
| Deposit from employees | 3.31 | - |
| Derivative Financial Liabilities (forex contracts) | - | 85.74 |
| | | |
| **Current total (B)** | **33.08** | **115.61** |
| | | |
| **Total (A+B)** | **157.24** | **307.59** |

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021.

**(₹ in Lakhs)**

| **21 Current borrowings** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Secured** | | |
| Cash Credit (Refer note {i}) | 180.76 | 276.88 |
| **Total** | **180.76** | **276.88** |

**Note:**

i) Cash Credit from Bank carry interest @ 8.10% (previous year 10.10%) p.a. computed on monthly basis on the actual amount utilised and are repayable on demand. Cash credit is secured by way of-

a) hypothecation of book debts and other receivables

b) second charge on immovable property of the Company at Thane, and

c) personal guarantee of Executive Director of the Company.

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 22 Trade payables | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Trade payables [Refer note (a) below] | | |
| -Total outstanding dues of micro enterprises and small enterprises | 12.91 | 16.00 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 554.07 | 497.71 |
| **Total** | **566.98** | **513.71** |

**Note (a):**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the Company regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the Company.

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 12.91 | 16.00 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

(₹ in Lakhs)

| 23 Other current liabilities | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income received in advance | 72.38 | 48.96 |
| Statutory dues | 129.28 | 77.31 |
| **Total** | **201.66** | **126.27** |

(₹ in Lakhs)

| 24 Provisions | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| **Provision for employee benefits** | | |
| Provision for compensated absences | 147.26 | 107.63 |
| Provision for gratuity | 105.56 | 131.30 |
| **Total** | **252.82** | **238.93** |

(₹ in Lakhs)

| 25 Current tax assets/liabilities (net) | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for tax (Net of advance tax of ₹ Nil (As at March 31, 2020 of ₹ 780.76 lakhs) | - | 1,044.36 |
| **Current Tax liability (net)** | **-** | **1,044.36** |
| Advance Tax (Net of Provisions ₹ 933.70 lacs ) | 100.68 | - |
| **Current Tax assets (net)** | **100.68** | **-** |

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 26 Revenue from operations | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| **Sale of services** | | |
| Information technology services | 6,780.43 | 6,215.13 |
| **Total** | **6,780.43** | **6,215.13** |

(₹ in Lakhs)

| 27 Other income | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Rent received | 373.43 | 479.81 |
| Less: Rates and taxes (directly attributable) | (22.63) | (27.12) |
| | **350.80** | **452.69** |
| Interest income on: | | |
| Loans given | 3.37 | 0.66 |
| Deposit with banks | 42.88 | 6.93 |
| Income tax refund | 10.21 | 4.72 |
| Profit on sale of investments in mutual funds | 17.22 | - |
| Gain on fair valuation of investments in mutual funds | 92.47 | 55.86 |
| Foreign exchange gain (net) | 32.25 | 97.85 |
| Sundry credit balances written back (net) | 0.69 | 0.92 |
| Miscellaneous income | 1.03 | 0.04 |
| **Total** | **550.92** | **619.67** |

(₹ in Lakhs)

| 28 Employee benefits expense | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 4,464.27 | 4,027.01 |
| Contribution to provident and other funds | 77.25 | 62.50 |
| Share based payment to employees | 12.30 | 19.14 |
| Staff welfare expense | 29.10 | 50.12 |
| | **4,582.92** | **4,158.77** |
| Less: Transferred to intangible assets under development | - | (240.38) |
| **Total** | **4,582.92** | **3,918.39** |

(₹ in Lakhs)

| 29 Finance costs | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Interest expense | 1.07 | 26.77 |
| Other finance cost on unwinding of discount (lease) | 22.89 | 21.80 |
| **Total** | **23.96** | **48.57** |

(₹ in Lakhs)

| 30 Depreciation and amortisation expense | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Depreciation on property, plant and equipment | 362.74 | 302.33 |
| Amortisation of Right of Use (RoU)-Assets | 0.50 | 0.50 |
| Depreciation on investment property | 19.97 | 19.97 |
| Amortisation on Intangible assets | 179.54 | 114.91 |
| **Total** | **562.75** | **437.71** |

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 31 Other expenses | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Rent | 19.05 | 21.77 |
| Repairs & maintenance | | |
| - Buildings | 49.91 | 63.04 |
| - Plant and equipment | 109.23 | 94.68 |
| - Others | 58.47 | 81.56 |
| Insurance | 4.68 | 4.68 |
| Rates and taxes | 28.55 | 38.59 |
| Travelling and conveyance | 13.63 | 93.45 |
| Communication | 20.46 | 24.96 |
| Electricity expense | 52.06 | 100.62 |
| Professional fees | 161.47 | 90.91 |
| Provision for doubtful receivables and advances | - | 7.91 |
| Provision for expected credit losses | 324.90 | 23.78 |
| Directors' sitting fees/commission | 32.89 | 22.50 |
| Auditors' remuneration: | | |
| Audit fees | 9.30 | 7.30 |
| Limited review fees | 4.50 | 4.50 |
| Certification | 0.75 | 0.75 |
| Reimbursement of expenses-(excluding Goods and service tax) | 0.08 | 1.57 |
| Security expenses | 28.32 | 40.39 |
| Corporate social responsibility expenses (Refer Note no.38) | 14.55 | 13.25 |
| Sundry balances written off | 1.25 | - |
| (Less): Transfer from Provision for Doubtful Advances | (1.25) | - |
| Loss on sale of investment in mutual fund | - | 16.14 |
| Loss on plant, property and equipment disposed / discarded (net) | 1.82 | 1.76 |
| Miscellaneous expenses | 93.43 | 141.51 |
| **Total** | **1,028.05** | **895.62** |

| 32 | Earnings Per Share (EPS) | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | Profit after tax available for Equity Shareholders (₹ in Lakhs) | 1,569.09 | 1,059.05 |
| | Weighted Average Number of Equity Shares outstanding for computing Basic EPS | 27,550,144 | 27,516,549 |
| | Add: Weighted average number of potential equity shares on account of employee stock options | 540,342 | 220,161 |
| | Weighted Average Number of Equity Shares outstanding for computing Diluted EPS | 28,090,486 | 27,736,710 |
| | Nominal value of Equity Shares (In ₹) | 10.00 | 10.00 |
| | **Basic Earnings Per Share** (In ₹) | **5.70** | **3.85** |
| | **Diluted Earnings Per Share** (In ₹) | **5.59** | **3.82** |

(₹ in Lakhs)

| 33 | Contingent Liabilities and Commitments | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| A) | **Contingent Liabilities** | | |
| | Disputed income tax demands (Including interest and penalties) | - | 136.44 |
| | **Total** | **-** | **136.44** |

## Notes to Standalone financial statements for the year ended March 31, 2021

**Notes**

i) Tax expense for the year ended on March 31,2021 includes one-time write back of ₹ 809.08 lakhs arising out of the impact of settlement of past litigations under the Vivad Se Vishwas Scheme, 2020. Due to this, there is an increase in Basic EPS by ₹ 2.94 and Diluted EPS by ₹ 2.88 for the year..

ii) The Company's pending litigations comprise mainly claims against the Company, proceedings pending with Tax and other Authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

(₹ in Lakhs)

**B)**

| Commitments | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | - | - |

**34 Disclosure on Related Party Transactions**

**A) Names of related parties where control exists and description of relationship:**

**a) Wholly Owned Subsidiaries :**

CyberTech Systems and Software Inc. (USA)
Spatialitics LLC - (USA)

**b) Key Management Personnel (KMP) :**

Mr. Ramasubramanian Sankaran - Executive Director
Mr. Praveen Agarwal - Chief Financial Officer
Ms. Sarita Leelaramani - Company Secretary

**c) Non-Executive and Independent Directors :**

**Non-Executive directors**

Mr. Vish Tadimety
Mr. Steven Jeske
Ms. Amogha Tadimety

**Independent directors**

Ms. Angela Cook Wilcox
Dr. N. L. Sarda
Mr. M. P. Bharucha
Dr. Shreepad Karmalkar
Mr. Sudhir Joshi

**Director of Spatialitics LLC- (USA)**

Mr. Joseph Michael Vanek

**B) Related party transactions with Subsidiary/KMP during the year:**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Sale of Services** | | |
| CyberTech Systems and Software Inc.-USA | 6,000.78 | 5,334.84 |
| Spatialitics LLC-USA | 57.44 | 36.32 |
| **Reimbursement of expenses received** | | |
| CyberTech Systems and Software Inc.-USA | 5.58 | 67.70 |
| Spatialitics LLC-USA | 10.90 | 4.53 |

## Notes to Standalone financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| **Remuneration paid to*** | | |
| Mr. Ramasubramanian Sankaran | 76.14 | 60.56 |
| Mr. Praveen Agarwal | 30.56 | 28.41 |
| Ms. Sarita Leelaramani | 12.20 | 11.23 |
| | | |
| **Directors Sitting Fees** | | |
| Mr. Vish Tadimety | 2.60 | 2.60 |
| Mr. Steven Jeske | 2.20 | 2.00 |
| Mr. Sudhir Joshi | 3.60 | 3.80 |
| Mr. M.P. Bharucha | 0.60 | 0.60 |
| Mr. N.L.Sarda | 2.20 | 2.40 |
| Mr. Shreepad karmalkar | 0.40 | 1.00 |
| Ms. Angela Cook Wilcox | 0.80 | 0.80 |
| Ms. Amoga Tadimety | 1.80 | 0.80 |
| Mr. Joseph Michael Vanek | 2.00 | - |
| | | |
| **Commission to Directors** | 16.68 | 8.50 |
| | | |
| **Investment** | | |
| Spatialitics LLC. | 146.67 | 141.62 |

**C) Outstanding Balances**

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Trade Receivables** | | |
| CyberTech Systems and Software Inc.-USA | 2,301.68 | 1,996.08 |
| Spatialitics LLC-USA | 36.84 | 39.05 |
| | | |
| **Trade Payables*** | | |
| Mr. Ramasubramanian Sankaran | 5.20 | 14.77 |
| Mr. Praveen Agarwal | 1.42 | 1.35 |
| Ms. Sarita Leelaramani | 0.45 | 0.41 |
| Director's commission payable | 12.00 | 8.50 |
| | | |
| **Investments** | | |
| CyberTech Systems and Software Inc.-USA | 1,534.04 | 1,534.04 |
| Spatialitics LLC-USA | 426.97 | 280.30 |
| | | |
| **Guarantee taken** | | |
| Mr. Ramasubramanian Sankaran | 180.76 | 276.88 |

* The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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

## Notes to Standalone financial statements for the year ended March 31, 2021

**Notes:**

(i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.

(iii) Related party relationships have been identified by the management and relied upon by the Auditors.

**35 Segment Reporting**

The Company is engaged in the business of Information Technology Services and its operations are regularly reviewed by Chief Operating Decision Maker for assessment of Company's performance and resource allocation. Accordingly, the Company has only one business segment in accordance with the IND AS – 108 "Operating Segments".

**36 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"**

**Defined Benefit Plan - Gratuity**

In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Company makes contribution to the gratuity fund administered by HDFC under Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

**A. Balance Sheet**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Present value of plan liabilities | (274.67) | (206.20) |
| Fair value of plan assets | 169.11 | 74.90 |
| **Asset/(Liability) recognised** | **(105.56)** | **(131.30)** |

**B. Movements in plan assets and plan liabilities**

(₹ in Lakhs)

| Particulars | Present value of obligations | Fair Value of Plan assets |
|---|---|---|
| **As at April 1, 2020** | **206.20** | **74.90** |
| Current service cost | 22.31 | - |
| Interest Cost/(Income) | 14.15 | 5.14 |
| Return on plan assets excluding amounts included in net finance income/cost | - | (0.78) |
| Actuarial (gain)/loss arising from changes in financial assumptions | 29.13 | - |
| Actuarial (gain)/loss arising from experience adjustments | 14.03 | - |
| Employer contributions | - | 101.00 |
| Benefit payments | (11.15) | (11.15) |
| **As at March 31, 2021** | **274.67** | **169.11** |

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| Particulars | Present value of obligations | Fair Value of Plan assets |
|---|---|---|
| **As at April 1, 2019** | **152.30** | **14.47** |
| Current service cost | 17.36 | - |
| Interest Cost/(Income) | 11.86 | 1.13 |
| Return on plan assets excluding amounts included in net finance income/cost | - | 1.01 |
| Actuarial (gain)/loss arising from changes in financial assumptions | 26.76 | - |
| Actuarial (gain)/loss arising from experience adjustments | 19.63 | - |
| Employer contributions | - | 80.00 |
| Benefit payments | (21.71) | (21.71) |
| **As at March 31, 2020** | **206.20** | **74.90** |

**C. Statement of Profit and Loss** (₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Employee Benefit Expenses:** | | |
| Current service cost | 22.31 | 17.36 |
| Interest cost/(income) | 9.01 | 10.74 |
| **Total amount recognised in Statement of profit & loss** | **31.32** | **28.10** |
| | | |
| **Remeasurement of the net defined benefit liability:** | | |
| Actuarial gains/(losses) arising from changes in demographic assumptions | - | - |
| Actuarial gains/(losses) arising from changes in financial assumptions | - | - |
| Actuarial gains/(losses) due to experience | 43.16 | 46.40 |
| Return on plan assets (excluding interest income) | 0.78 | (1.02) |
| **Total amount recognised in Other Comprehensive Income** | **43.94** | **45.38** |

**D. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial Assumptions** | | |
| Discount rate | 6.90% | 6.86% |
| Salary Escalation Rate | 3.25% | 2.25% |

## Notes to Standalone financial statements for the year ended March 31, 2021

**E. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

| | Impact on defined benefit obligation | | |
|---|---|---|---|
| **Particulars** | **Change in assumption** | **Increase in assumption (₹ in lakhs)** | **Decrease in assumption (₹ in lakhs)** |
| Discount Rate | 1.00% | (30.80) | 37.01 |
| Salary Escalation Rate | 1.00% | 35.07 | (30.27) |
| Attrition Rate | 1.00% | 14.92 | (17.10) |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**F. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:**

(₹ in Lakhs)

| Year ending March 31, | Defined benefit obligation |
|---|---|
| 2022 | 16.44 |
| 2023 | 5.78 |
| 2024 | 7.63 |
| 2025 | 6.39 |
| 2026 | 34.91 |
| Thereafter | 707.36 |

**ii) Compensated Absences:** The Company permits encashment of compensated absence accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on March 31, 2021 performed by an independent actuary. The Company doesn't maintain any plan assets to fund its obligation towards compensated absences.

The disclosure in respect of the defined Compensated Absences are given below:

(₹ in Lakhs)

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Expenses recognised in Statement of Profit and Loss | 79.10 | 79.35 |
| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
| Compensated absence liability recognized | 147.26 | 107.63 |

**37 Leases**
**Company as a Lessor**

The Company has leased its vacant premises under cancellable lease agreements. During the year ₹ 373.43 Lakhs (Previous Year ₹ 479.81 Lakhs) has been recognized as rent income in the Statement of Profit and Loss under head "Other Income".

## Notes to Standalone financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Due within one year | 17.26 | 16.43 |
| Due in a period between one year and five years | 16.54 | 33.79 |
| Due after five years | - | - |

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Rental Income | 373.43 | 479.81 |
| Direct Operating Expenses | 22.63 | 27.12 |
| Depreciation | 19.97 | 19.97 |
| **Net Income** | **330.83** | **432.72** |

**Company as a Lessee**

The Company does not have any material long term lease which have applicability of Ind-AS 116.

**38 Corporate Social Responsibility Expenditure**

Gross amount required to be spent by the Company as per Section 135 of Companies Act, 2013 during the year is ₹ 14.51 Lakhs (Previous year ₹ 13.03 Lakhs) and amount actually spent during the year is ₹ 14.55 Lakhs (Previous year ₹ 13.25 Lakhs), the details of which is as given below:

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Gross amount required to be spent by the Company as per Section 135 of Companies Act, 2013 | 14.51 | 13.03 |
| Actual Incurred | | |
| Construction/acquisition of any asset | - | - |
| On purposes other than above | 14.55 | 13.25 |

**39 Financial Risk Management**

**Financial risk management objectives and policies:**

The Company's business activities exposed it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's Management has the overall responsibility for establishing and governing the Company's risk management framework.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

## Notes to Standalone financial statements for the year ended March 31, 2021

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market Risk - Interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| Market Risk - Foreign exchange | Financial assets and liabilities | Cash flow forecasting Sensitivity analysis | Hedging, Forex planning |
| Credit risk | Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost. | Ageing analysis/ Credit ratings | Diversification in various class of assets, credit limits |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities; working capital management |

**(A) Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is having short term borrowings from banks.

**(i) Exposure to interest rate risk - Financial liabilities**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Borrowings bearing variable rate of interest - Cash credits - short term in nature | 180.76 | 276.88 |

Since, the Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

**(B) Market Risk- Foreign currency risk.**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

**Derivative Contracts and unhedged foreign currency exposure**

**Derivative contracts outstanding as at March 31, 2021**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | In Foreign Currency-USD | Amount | In Foreign Currency-USD | Amount |
| Total foreign currency exposures - Receivables | 2,100,000 | 1,575.76 | 2,500,000 | 1,830.71 |

**Unhedged foreign currency exposure as at March 31, 2021**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | In Foreign Currency-USD | Amount | In Foreign Currency-USD | Amount |
| Trade receivables | 1,098,860 | 803.32 | 207,923 | 157.31 |
| Cash and bank balances | 225,125 | 164.58 | 75,862 | 57.40 |
| | **1,323,985** | **967.90** | **283,785** | **214.71** |

## Notes to Standalone financial statements for the year ended March 31, 2021

**A change of 1% in Foreign currency would have following Impact on profit before tax**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | 1% Increase | 1% decrease | 1% Increase | 1% decrease |
| Increase / (decrease) in profit or loss | 9.68 | (9.68) | 2.15 | (2.15) |

**(C) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and debentures and bonds, foreign exchange transactions and financial instruments.

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Credit risk from investments is managed by the Company's treasury in accordance with the board approved policy and limits.

To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as::

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

**Ageing of Account receivables (Gross)**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-3 months | 1,705.09 | 1,773.86 |
| 3-6 months | 760.85 | 671.60 |
| 6 months to 12 months | 2.70 | 234.92 |
| beyond 12 months | 1,015.11 | 578.01 |
| **Total** | **3,483.75** | **3,258.39** |

**Movement in expected credit loss**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening provision** | 295.19 | 263.50 |
| Add:- Additional provision made | 324.90 | 31.69 |
| Less:- Provision write off/ reversed | - | - |
| Less:- Provision utilised against bad debts | - | - |
| **Closing provisions *** | **620.09** | **295.19** |

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there are 2 customers contributing more than 10% of outstanding trade receivables and unbilled revenues amounting to ₹ 2547.20 lakhs and ₹ 114.42 lakhs respectively (Previous Year ₹ 2,376.60 lakhs and ₹ 32 lakhs respectively).

*Includes ₹ 174.77 lakhs (Previous Year ₹ 174.77 lakhs) for which the Company has filed cases for recovery with the Courts/Arbitrators.

## Notes to Standalone financial statements for the year ended March 31, 2021

**(D) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations.

**Financing arrangements**

The company had access to following undrawn Borrowing facilities at end of reporting period:

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Variable Borrowing -Expires within 1 year | 319.24 | 723.12 |

**Maturity patterns of borrowings**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-1 years | 180.76 | 276.88 |
| more than 1 year | - | - |
| **Total** | **180.76** | **276.88** |

**Maturity patterns of other financial liabilities**

**a) Trade Payables**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-1 year | 566.98 | 513.71 |
| more than 1 year | - | - |
| **Total** | **566.98** | **513.71** |

**Other financial liabilities** **(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-1 year | 33.08 | 115.61 |
| more than 1 year | 124.16 | 191.98 |
| **Total** | **157.24** | **307.59** |

**40 Financial instruments**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions are used to estimate the fair values:**

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

## Notes to Standalone financial statements for the year ended March 31, 2021

**The carrying amounts and fair values of financial instruments by catergory are as follows:**

### a. Financial assets

(₹ in lakhs)

| Particulars | Instruments carried at fair value | | | | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|---|---|---|
| | FVOCI (Equity instruments) | FVOCI (Other instruments) | FVTPL | At Cost | Total fair value (A) | Carrying amount (B) | Fair Value | Total carrying amount (A+B) |
| **As at March 31, 2021** | | | | | | | | |
| Investment in subsidiaries | - | - | - | 1,961.01 | 1,961.01 | - | - | 1,961.01 |
| Other investments | - | - | 1,455.14 | - | 1,455.14 | - | - | 1,455.14 |
| Trade receivables | - | - | - | - | - | 2,863.66 | 2,863.66 | 2,863.66 |
| Cash and Bank balances | - | - | - | - | - | 1,165.50 | 1,165.50 | 1,165.50 |
| Loans | - | - | - | - | - | 3.33 | 3.33 | 3.33 |
| Other financial assets | - | - | 15.55 | - | 15.55 | 316.79 | 316.79 | 332.34 |
| **Total** | **-** | **-** | **1,470.69** | **1,961.01** | **3,431.70** | **4,349.28** | **4,349.28** | **7,780.98** |
| **As at March 31, 2020** | | | | | | | | |
| Investment in subsidiaries | - | - | - | 1,814.34 | 1,814.34 | - | - | 1,814.34 |
| Other investments | - | - | 1,694.64 | - | 1,694.64 | - | - | 1,694.64 |
| Trade receivables | - | - | - | - | - | 2,963.20 | 2,963.20 | 2,963.20 |
| Cash and Bank balances | - | - | - | - | - | 622.22 | 622.22 | 622.22 |
| Loans | - | - | - | - | - | 5.96 | 5.96 | 5.96 |
| Other financial assets | - | - | - | - | - | 188.75 | 188.75 | 188.75 |
| **Total** | **-** | **-** | **1,694.64** | **1,814.34** | **3,508.98** | **3,780.13** | **3,780.13** | **7,289.11** |

### b. Financial liabilities

| | Instruments carried at fair value | | Instruments carried at amortized cost | | (₹ in Lakhs) |
|---|---|---|---|---|---|
| | FVTPL | Total carrying amount and fair value (A) | Carrying amount (B) | Fair value | Total carrying amount (A+B) |
| **As at March 31, 2021** | | | | | |
| Borrowings | - | - | 180.76 | 180.76 | 180.76 |
| Trade payables | - | - | 566.98 | 566.98 | 566.98 |
| Other financial liabilities | - | - | 157.24 | - | 157.24 |
| **Total** | **-** | **-** | **904.98** | **747.74** | **904.98** |
| **As at March 31, 2020** | | | | | |
| Borrowings | - | - | 276.88 | 276.88 | 276.88 |
| Trade payables | - | - | 513.71 | 513.71 | 513.71 |
| Other financial liabilities | 85.74 | 85.74 | 221.85 | - | 307.59 |
| **Total** | **85.74** | **85.74** | **1,012.44** | **790.59** | **1,098.18** |

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

### c. Fair value estimation

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

## Notes to Standalone financial statements for the year ended March 31, 2021

The categories used are as follows:
- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

(₹ in Lakhs)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at March 31, 2021** | | | | |
| **Assets at fair value** | | | | |
| Investments in Mutual Funds | 1,455.14 | - | - | 1,455.14 |
| Derivative Financial Assets (forex contracts) | 15.55 | | | 15.55 |
| **As at March 31, 2020** | | | | |
| Investments in Mutual Funds | 1,694.64 | - | - | 1,694.64 |
| Derivative Financial Assets (forex contracts) | - | - | - | - |

**Note -** Mutual funds are valued using the Closing Net Asset Value

(₹ in Lakhs)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at March 31, 2021** | | | | |
| **Liabilities at fair value** | | | | |
| Derivative Financial Liabilities (forex contracts) | - | - | - | - |
| **As at March 31, 2020** | | | | |
| Derivative Financial Liabilities (forex contracts) | 85.74 | - | - | 85.74 |

### 41 Income Taxes

**a) Tax expense recognised in the Statement of Profit and Loss:**

(₹ in Lakhs)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Current tax** | | |
| Current year | 272.48 | 341.22 |
| Adjustments for prior periods | (815.96) | - |
| **Total current tax** | **(543.48)** | **341.22** |
| **Deferred tax** | | |
| Origination and reversal of temporary difference | (30.05) | (39.13) |
| **Total deferred income tax expense/(credit)** | **(30.05)** | **(39.13)** |
| **Total income tax expense/(credit)** | **(573.53)** | **302.09** |

**b) A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :**

(₹ in Lakhs)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Reconciliation of effective tax rate** | | |
| Profit including other comprehensive income before taxation | 962.68 | 1,327.18 |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Tax at India Income Tax Rate | 242.29 | 334.02 |

## Notes to Standalone financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| **Differences due to:** | | |
| Expenses allowable on payment basis | (4.70) | (19.73) |
| Portion of expenses/( income) on which tax is not payable | (0.24) | (20.52) |
| Tax expenses pertaining to earlier years | (815.96) | - |
| Others | 5.08 | 8.31 |
| **Effective tax amount** | **(573.53)** | **302.09** |

**Movement during the year ended March 31, 2021 and March 31, 2020**

**(₹ in lakhs)**

| | As at April 01, 2019 | Credit/(charge) in statement of Proft and Loss | As at March 31, 2020 | Credit/(charge) in statement of Proft and Loss | As at March 31, 2021 |
|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities)** | | | | | |
| Expenses allowable on payment basis and others | (165.49) | 6.41 | (159.08) | (86.54) | (245.62) |
| On Property, plant & equipment | 269.91 | 0.32 | 270.23 | 39.36 | 309.59 |
| Long term capital loss | (6.80) | 6.80 | - | | - |
| Fair value gains/losses on investments | 74.55 | (52.66) | 21.89 | 17.13 | 39.02 |
| **Total** | **172.17** | **(39.13)** | **133.02** | **(30.05)** | **102.97** |

**42 Capital risk management**

**(a) Risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stake holders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total equity attributable to equity shareholders of the Company | 10,924.16 | 9,627.88 |
| Net debt (Total borrowings less cash and bank balances) | - | - |
| **Total capital (borrowings and equity)** | **10,924.16** | **9,627.88** |
| **Gearing ratio** | **0.00%** | **0.00%** |

**(b) Dividends**

**(₹ in Lakhs)**

| Dividend paid during the year | | 2020-21 | 2019-20 |
|---|---|---|---|
| (i) | **Equity Shares** | | |
| | Final dividend for the year ended March 31, 2020 of Re. 1 Per share (March 31, 2019 - Re. 1) [Including dividend distribution tax of Nil, (Previous year ₹ 55.81 Lakhs)] paid during the year | 275.44 | 331.72 |
| (ii) | **Dividends not recognised at the end of reporting period** | | |
| | Since year end, the directors have recommended the payment of a final dividend of Re. 1 per equity share (March 31, 2020 - Re. 1 ) | 276.36 | 275.44 |
| | The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | | |

## Notes to Standalone financial statements for the year ended March 31, 2021

**43 Employee Share Based payments**

**(a) Employee option plan**

The Company's Employees' Stock Option Scheme - 2007, provides for issue of equity option in each financial year up to 5% (Previous Year 5%) of the outstanding fully paid-up equity capital of the Company as on March 31, 2007 on to eligible employees, and the carry forward of un-allotted options in each of the financial years to the subsequent financial years for grant, in aggregate not exceeding 9,264,970 shares (Previous Year 9,264,970 shares). The Shareholders at their meeting held on September 30, 2014 passed a new ESOP plan 2014. Under new ESOP plan, the shareholders has permitted to grant 1,323,567 equity shares to the employees of the Company and to the employees of wholly owned subsidiary viz. CyberTech Systems and Software Inc., USA. The scheme covers directors and the employees of the subsidiaries, apart from the employees and directors of the Company except directors/ employees belonging to promoter group. The options vest in a phased manner over four years with 25% of the grants vesting at the end of each year from the date of grant and the same can be exercised within seven years from the date of the grant at the market price as on the date of the grant. One option is equal to one equity share.

**Movement during the period:**

The number and weighted average exercise prices (WAEP) of the options granted and movement during the period is as follows:

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | Number of options | WAEP ₹ | Number of options | WAEP ₹ |
| Opening balance | 1,332,500 | 37.76 | 1,182,500 | 37.76 |
| Add: Granted during the year | - | - | 150,000 | 39.88 |
| Less: Exercised during the year | 83,500 | 27.80 | - | - |
| Less: Forfeited/lapsed during the year | 200,000 | 38.06 | - | - |
| **Closing balance** | **1,049,000** | **38.80** | **1,332,500** | **37.76** |

The following table summarises information about outstanding stock options:

**As at March 31, 2021**

| Range of Exercise price | Number of shares arising out of Options | Weighted average remaining life (in years) | Weighted average exercise price (in ₹) |
|---|---|---|---|
| ₹ 10 - ₹ 15 | - | - | - |
| ₹ 16 - ₹ 45 | 899,000 | 2 | 36.84 |
| ₹ 46 - ₹ 60 | 150,000 | 5 | 50.58 |

**As at March 31, 2020**

| Range of Exercise price | Number of shares arising out of Options | Weighted average remaining life (in years) | Weighted average exercise price (in ₹) |
|---|---|---|---|
| ₹ 10 - ₹ 15 | 53,000 | Less than 1 year | 11.34 |
| ₹ 16 - ₹ 45 | 1,029,500 | 3 | 36.74 |
| ₹ 46 - ₹ 60 | 250,000 | 6 | 48.83 |

**(b) Fair value of options granted**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of the option has been determined by an independent valuer.

The model inputs for options granted during the period ended March 31, 2021 and March 31, 2020 included:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Dividend Yield | N.A | 2.00% |
| Expected Volatility | N.A | 54% |
| Risk free interest rate | N.A | 5.35% |
| Expected life of share options | N.A | 7 years |

The expected price volatility is based on the historic volatility (based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

**(c) Expense arising from share based payment transactions**

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

**(₹ in Lakhs)**

| | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Employee stock option | 12.30 | 19.14 |
| **Total employee share-based payment expense** | **12.30** | **19.14** |

**44** In view of recent surge in Covid-19 cases, the Company has considered the possible impact of Covid 19 that may impact the carrying amounts of receivables including unbilled receivables and intangible assets. In making assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the company has interalia considered subsequent events, internal and external information and evaluated economic conditions up to the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company does not anticipate any material financial or operational issues in the short term as well as on a long term basis.

**45** The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**46** The Company has invested ₹ 426.97 lakhs (Previous Year ₹ 280.30 lakhs) in its Wholly Owned Subsidiary viz. Spatialitics LLC., USA, which has accumulated losses of ₹ 773.09 lakhs (Previous Year ₹ 523.35 lakhs) as at the year end. However, being a long term and strategic investment, there is a reasonable certainty that there will be no diminution in the value of these investments, and therefore, no provisioning has been considered necessary.

**47** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

**48** The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable for future periods. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021.

**49** The previous year's figures have been regrouped/re-classified wherever required to conform to current years classification.

**50** The financial statements were approved for issue by the Board of Directors on May 13, 2021.

**For and on behalf of the Board of Directors**

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

Place : Thane
Date : May 13, 2021

# CYBERTECH SYSTEMS AND SOFTWARE LIMITED
# CONSOLIDATED
# FINANCIAL STATEMENTS
# FOR THE FINANCIAL YEAR 2020-21

# INDEPENDENT AUDITORS' REPORT

To The Members of
**Cybertech Systems & Software Limited**

**Opinion**

We have audited the consolidated financial statements of **Cybertech Systems & Software Limited** ("the Parent Company") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which comprises of consolidated Balance Sheet as at 31st March, 2021, the consolidated Statement of Profit & Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, their consolidated profits including other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

**Basis for Opinion**

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Emphasis of Matters**

We draw your attention to the Note 46 of the consolidated financial statements, with regard to Management's assessment of, inter-alia, recoverability/ realisability of receivables including unbilled receivables of ₹2,754.56 lakhs and intangible assets of ₹ 1,061.76 lakhs due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these consolidated financial statements, has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these consolidated financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions and does not anticipate any material financial or operational issues in the short term as well as on a long-term basis.

Our report is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matters | Auditor's response |
|---|---|---|
| 1 | **Long overdue trade receivables of ₹ 397.99 lakhs (net of provision of ₹ 620.09 Lakhs) and provisioning thereof :-**<br><br>Trade receivables comprise a significant portion of the Company's liquid assets. The Company has long overdue trade receivables of ₹ 397.99 Lakhs (net of provision of ₹ 620.09 Lakhs).<br><br>The most significant portion of overdue trade comprise large customers being city municipal corporations.<br><br>Accordingly, the estimation of the allowance for trade receivables is a significant judgement area and is therefore considered a key audit matter. | **Audit procedure performed :-**<br><br>- We have evaluated and tested the Group's processes for trade receivables including the provisioning and collection processes.<br><br>- We assessed the validity of material long outstanding receivables by requesting third-party confirmations of amounts owed. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances.<br><br>- Where there were indicators that trade receivables were unlikely to be collected within contracted payment terms, we assessed the adequacy of the allowances for impairment of trade receivables.<br><br>- We considered whether the provisions were adequate and concluded that they were appropriate in all material respects, and disclosures related to trade receivables in the Consolidated financial statements are appropriate. |

**Information Other than the Consolidated Financial Statements and auditor's report thereon**

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management discussion and analysis, Board's Report including Annexures to the Board report, corporate governance and shareholders information, but does not include the consolidated financial statement and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management responsibilities for the Consolidated Financial Statements**

The Parent Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the companies included in the group are responsible for overseeing the financial reporting process of the group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial control system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the respective entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of an identified misstatement in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters**

We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 6,603.92 lakhs as at 31st March, 2021 and total revenue of ₹ 11,207.37 lakhs and net cash outflows amounting to ₹ 13.14 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:

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

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, records and reports of the other auditors.

   (c) The Consolidated Balance sheet, the Consolidated Statement of Profit & Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Parent Company as on 31st March, 2021 taken on record by the Board of Directors of the Parent Company, none of the directors of the Parent Company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Parent Company and the operating effectiveness of such controls, please refer Annexure B of the standalone audit report attached with the standalone financial statements.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Consolidated financial statements disclose the impact of pending litigation on its consolidated financial position of the Group. Refer Note No.35 to the consolidated financial statements.

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration No: 113447W/W-100019

**Sd/-**
**Vinay Somani**
Partner
Membership No. 143503
UDIN: 20143503AAAAFZ8397

Place : Mumbai
Date : May 13, 2021

# Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| **I. ASSETS** | | | |
| **1 Non-current assets** | | | |
| Property, plant and equipment | 2 | 2,854.07 | 2,873.68 |
| Right of Use (RoU)-Assets | 3 | 162.28 | 204.19 |
| Capital work-in-progress | 4 | 7.26 | 251.28 |
| Investment property | 5 | 852.42 | 872.40 |
| Intangible assets | 6 | 1,061.76 | 308.19 |
| Intangible assets under development | 7 | - | 979.20 |
| Financial assets | | | |
| Investments | 8 | 224.23 | 330.37 |
| Other financial assets | 9 | 130.41 | 38.68 |
| Other non - current assets | 10 | 6.69 | 3.06 |
| **Total non-current assets** | | **5,299.12** | **5,861.05** |
| | | | |
| **2 Current assets** | | | |
| Financial assets | | | |
| Investments | 11 | 4,053.17 | 2,316.45 |
| Trade receivables | 12 | 2,497.93 | 2,825.29 |
| Cash and cash equivalents | 13 | 1,146.30 | 791.15 |
| Bank balances other than above | 14 | 729.44 | 554.44 |
| Loans | 15 | 3.33 | 5.97 |
| Other financial assets | 16 | 328.92 | 372.25 |
| Current Tax Assets (Net) | 17 | 137.65 | - |
| Other current assets | 18 | 135.43 | 181.44 |
| **Total current assets** | | **9,032.17** | **7,046.99** |
| **Total assets** | | **14,331.29** | **12,908.04** |

# Consolidated Balance Sheet as at March 31, 2021

(₹ in Lakhs)

| | Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| **II** | **EQUITY AND LIABILITIES** | | | |
| **1** | **Equity** | | | |
| | Equity share capital | **19** | 2,759.91 | 2,751.56 |
| | Other equity | **20** | 8,720.49 | 6,660.08 |
| | **Total equity** | | **11,480.40** | **9,411.64** |
| | | | | |
| **2** | **Liabilities** | | | |
| **A** | **Non-current liabilities** | | | |
| | Financial liabilities | | | |
| | Lease liabilities | **23** | 118.99 | 155.98 |
| | Other financial liabilities | **21a** | 124.16 | 191.98 |
| | Deferred tax liabilities (net) | **41** | 193.30 | 224.83 |
| | **Total non current liabilities** | | **436.45** | **572.79** |
| | | | | |
| **B** | **Current liabilities** | | | |
| | Financial liabilities | | | |
| | Borrowings | **22** | 550.02 | 276.87 |
| | Trade payables | **24** | | |
| | -Total outstanding dues of micro enterprises and small enterprises | | 12.91 | 16.00 |
| | -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 925.94 | 1,042.16 |
| | Lease liabilities | **23** | 31.72 | 30.74 |
| | Other financial liabilities | **21b** | 36.47 | 115.61 |
| | Other current liabilities | **25** | 604.56 | 258.93 |
| | Provisions | **26** | 252.82 | 238.94 |
| | Current tax liabilities (net) | **27** | - | 944.36 |
| | **Total current liabilities** | | **2,414.44** | **2,923.61** |
| | | | | |
| | **Total equity and liabilities** | | **14,331.29** | **12,908.04** |
| | **Significant accounting policies** | **1B** | | |
| | The accompanying notes are an integral part of the consolidated financial statements | | | |

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

Place: Mumbai
Date : May 13, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

# Consolidated Statement of Profit and Loss for the year ended March 31, 2021

(₹ in Lakhs)

| | Particulars | Note | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|---|---|
| I | Revenue from operations | 28 | 11,779.69 | 11,281.63 |
| II | Other income | 29 | 698.77 | 634.37 |
| III | **Total Income (I + II)** | | **12,478.46** | **11,916.00** |
| | | | | |
| IV | **Expenses** | | | |
| | Cost of hardware/software package for service delivery and outsourced project cost | | 556.41 | 770.53 |
| | Employee benefits expense | 30 | 7,527.18 | 6,522.88 |
| | Finance costs | 31 | 34.96 | 50.59 |
| | Depreciation and amortisation expense | 32 | 666.98 | 633.75 |
| | Impairment of non-current assets | 6,7 | - | 542.91 |
| | Other expenses | 33 | 1,422.88 | 1,627.87 |
| | **Total expenses (IV)** | | **10,208.41** | **10,148.53** |
| | | | | |
| V | **Profit before tax (III - IV)** | | **2,270.05** | **1,767.47** |
| | | | | |
| VI | **Tax expense** | | | |
| | Current tax | 43 | 694.56 | 386.56 |
| | Deferred tax | 43 | (17.35) | 58.50 |
| | Tax adjustments for earlier years | 43 | (815.96) | - |
| | | | **(138.75)** | **445.06** |
| | | | | |
| VII | **Profit for the year (V - VI)** | | **2,408.80** | **1,322.41** |
| | | | | |
| VIII | **Other comprehensive income** | | | |
| | **Items that will not be reclassified to profit or loss- Gain/(Loss)** | | | |
| | Remeasurements of net defined benefit plans | | (43.94) | (45.38) |
| | Income tax relating to items that will not be reclassified to profit or loss | | 11.06 | 11.42 |
| | | | | |
| | **Items that will be reclassified to profit & loss** | | | |
| | Exchange differences on translation of foreign operations | | (67.24) | 120.81 |
| | Income tax relating to items that will not be reclassified to profit & loss | | - | - |
| | **Other comprehensive income for the year (VIII)** | | **(100.12)** | **86.85** |
| | | | | |
| IX | **Total comprehensive income for the year VII - VIII)** | | **2,308.68** | **1,409.26** |
| | | | | |
| X | **Earnings per equity share of ₹ 10 each:** | | | |
| | Basic | 32 | 8.74 | 4.81 |
| | Diluted | 32 | 8.58 | 4.77 |
| | **Significant accounting policies** | 1B | | |

The accompanying notes are an integral part of the consolidated financial statements.

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**For and on behalf of the Board of Directors**

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

Place : Mumbai
Date : May 13, 2021

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

Place : Thane
Date : May 13, 2021

# Consolidated Statement of Cash Flows for the Year Ended March 31, 2021

(₹ in Lakhs)

| | Particulars | | For the year ended March 31, 2021 | | For the year ended March 31, 2020 |
|---|---|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | | | |
| | **Profit before tax** | | **2,270.05** | | **1,767.47** |
| | **Adjustments to reconcile net profit to net cash provided by operating activities :** | | | | |
| | Depreciation and amortisation expense | 666.98 | | 633.75 | |
| | Unrealised foreign exchange gain | (10.81) | | 7.16 | |
| | Loss on assets disposed / discarded (net) | 1.82 | | 544.68 | |
| | Interest income | (59.14) | | (27.67) | |
| | Finance Cost | 34.96 | | 48.57 | |
| | Provision for doubtful receivables, deposits & expected Credit losses | 324.89 | | 31.69 | |
| | Sundry credit balances written back (net) | (145.86) | | (4.47) | |
| | Employee share based payments | 12.30 | | 19.14 | |
| | Loss /(Profit) on sale of mutual funds | (17.22) | | 16.13 | |
| | Gain on fair valuation / profit on sale of investments in mutual funds | (92.47) | | (55.86) | |
| | | | **715.45** | | **1,213.12** |
| | **Operating profit before working capital changes** | | **2,985.50** | | **2,980.59** |
| | **Adjustments for:** | | | | |
| | Increase / (Decrease) in Trade receivables | 13.28 | | (393.63) | |
| | (Increase) in loans, other financial assets and other assets | 230.12 | | (260.44) | |
| | Increase in Trade, other financial liabilities and other liabilities | 14.31 | | 64.76 | |
| | | | **257.71** | | **(589.31)** |
| | **Cash generated from operations** | | **3,243.21** | | **2,391.28** |
| | Direct taxes paid (net) | | (963.72) | | (435.49) |
| | **Net cash flow generated from operating activities (A)** | | **2,279.49** | | **1,955.79** |
| | | | | | |
| **B.** | **Cash flow from investing activities** | | | | |
| | Purchase of property, plant & equipment (Including capital work-in-progress) | | (94.26) | | (1,160.85) |
| | Purchase of Intangible assets | | (28.06) | | 438.38 |
| | Sale of property, plant & equipment | | 1.67 | | 0.62 |
| | Purchase of investments | | (1,870.06) | | (2,208.50) |
| | Sale of investments | | 349.18 | | 1,789.53 |
| | Fixed deposit with banks | | (274.16) | | - |
| | Interest and other income | | 29.83 | | 27.67 |
| | **Net cash flow used in investing activities (B)** | | **(1,885.86)** | | **(1,113.15)** |

# Consolidated Statement of Cash Flows for the Year Ended March 31, 2021

| | | | |
|---|---|---|---|
| | | | (₹ in Lakhs) |
| **C.** | **Cash flow from financing activities** | | |
| | Proceeds/(repayments) from short-term borrowings (net) (refer note 1 below) | 273.14 | (1,506.84) |
| | Proceeds for equity issue under ESOP (including securities premium) | 23.21 | - |
| | Finance costs paid | (34.96) | (48.57) |
| | Dividend and dividend tax paid thereon | (275.44) | (331.72) |
| | **Net cash flow (used) in financing activities (C)** | **(14.05)** | **(1,887.13)** |
| | **Net Increase/(Decrease) in cash & cash equivalents (A + B + C)** | **379.58** | **(1,044.49)** |
| | Cash & cash equivalents - Opening | 791.15 | 1,704.70 |
| | Effect of exchange rate changes on Cash & Cash Equivalents | (24.43) | 130.94 |
| | Cash & cash equivalents - Closing | 1,146.30 | 791.15 |

**Note 1**

| **Changes in liability arising from financing activities** | **As at March 31, 2020** | **Cash Flows/ (Repayment)** | **As at March 31, 2021** |
|---|---|---|---|
| Borrowings - Current (Refer note no. 22) | 276.87 | 273.15 | 550.02 |

**Significant Accounting Policies** **1B**

The accompanying notes are an integral part of the consolidated financial statements.

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**For and on behalf of the Board of Directors**

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

Place : Mumbai
Date : May 13, 2021

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

# Consolidated Statement of Changes in Equity for the year ended March 31, 2021

**(A) Equity Share Capital**

(₹ in Lakhs)

| Particulars | Amount |
|---|---|
| **Balance as at April 1, 2019** | **2,751.56** |
| **Changes in share capital during the year** | **-** |
| **Balance as at March 31, 2020** | **2,751.56** |
| **Changes in share capital during the year** | **8.35** |
| **Balance as at March 31, 2021** | **2,759.91** |

**(B) Other Equity**

(₹ in Lakhs)

| Particulars | Capital reserves | Securities premium | Equity settled employee benefits reserve | Retained earnings | Foreign currency translation reserve | Other items of other comprehensive Income {actuarial gains/(losses)} | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at April 1, 2019** | **167.50** | **1,715.54** | **175.49** | **3,380.70** | **148.42** | **(24.26)** | **5,563.39** |
| Received during the year on issue of shares under ESOP | - | - | - | - | - | - | - |
| Profit for the year | - | - | - | 1,322.41 | - | - | 1,322.41 |
| Other comprehensive income/(loss) for the year | - | - | - | - | - | (33.96) | (33.96) |
| Transfer on account of Grant of Stock Options | - | - | 19.14 | - | - | - | 19.14 |
| Foreign currency translation reinstatement | - | - | - | - | 120.81 | - | 120.81 |
| Dividend paid (including dividend distribution tax of ₹ 55.81 Lakhs) | - | - | - | (331.72) | - | - | (331.72) |
| **Balance as at March 31, 2020** | **167.50** | **1,715.54** | **194.63** | **4,371.39** | **269.23** | **(58.22)** | **6,660.08** |
| Profit for the year | - | - | - | 2,408.80 | - | - | 2,408.79 |
| Other comprehensive income/(loss) for the year | - | - | - | - | - | (32.88) | (32.88) |
| Transfer on account of Grant of Stock Options | - | - | 12.30 | - | - | - | 12.30 |
| Transfer for exercise of Stock Options | - | 14.86 | - | | - | - | 14.86 |
| Transfer on account of Stock Options not exercised/forfeited during the year | - | 12.34 | (38.82) | 26.48 | - | - | - |
| Foreign currency translation reinstatement | - | - | - | - | (67.21) | - | (67.21) |
| Dividend paid | - | - | - | (275.44) | - | - | (275.44) |
| **Balance as at March 31, 2021** | **167.50** | **1,742.74** | **168.11** | **6,531.23** | **202.01** | **(91.10)** | **8,720.49** |

**Significant Accounting Policies (Refer Note 1B)**

The accompanying notes are an integral part of the consolidated financial statements.

**As per our report of even date**

**For BAGARIA & CO. LLP**
Chartered Accountants
Firm Registration Number - 113447W/W-100019

**For and on behalf of the Board of Directors**

**Sd/-**
**Vinay Somani**
Partner
M. No. 143503

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

Place : Mumbai
Date : May 13, 2021

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

Place : Thane
Date : May 13, 2021

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

# Notes to Consolidated financial statements for the year ended March 31, 2021

**'NOTE '1'**

**A. CORPORATE INFORMATION:**

Cybertech Systems and Software Limited (the 'Company') was incorporated on January 19, 1995. Along with its subsidiaries in USA, the Company provides Information Technology services to customers primarily in USA and India with focus on next-generation geospatial, networking and enterprise IT solutions. The Company offers services that span across all major industries including government, education, utilities, public safety & homeland defence, technology, telecom, retail, healthcare, and manufacturing. The Company is focused on delivering its development and support projects on an offshore basis.

The Company is a public limited company incorporated and domiciled in India and has its registered office in Thane, India. The Company has its primary listings on the BSE Limited and National Stock Exchange Limited in India.

**B. SIGNIFICANT ACCOUNTING POLICIES:**

**(i) Basis of Preparation of Financial Statements:**

These Consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 as amended from time to time and other related provisions of the Act.

The financial statements of the Group are prepared on the accrual basis of accounting and historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value - Refer note no.1(B)(viii)

(ii) Defined benefit employee plan - Refer note no.1 (B)(xii)

(iii) Derivative Financial instruments - Refer note no.1(B)(vii)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

The Consolidated financial statements are presented in INR, the functional currency of the Group. All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2021.

**Subsidiaries**

Subsidiaries are entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee .

Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group looses control of the subsidiary.

**Consolidation Procedure**

(a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill/capital reserve.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and Cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment (PPE), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions..

## Notes to Consolidated financial statements for the year ended March 31, 2021

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the noncontrolling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

**Changes in the Group's ownership interest in existing subsidiaries:**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests.

**(ii) Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Critical accounting judgements and key source of estimation uncertainty**

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Refer Note no. 1(B)(xii)

(b) Estimation of deffered tax expenses - Refer note no. 1(B)(xiii)

**(iii) Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, than they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

**(iv) Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangible assets under development comprises of capitalisation of Payroll costs of those employees directly associated with Software Development:

# Notes to Consolidated financial statements for the year ended March 31, 2021

**(v) Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

**(vi) Depreciation and Amortization:**

**(a) Property plant and equipment (PPE)**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**(b) Intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives.

The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively based on revised estimates.

Intangible assets are amortised over their estimated useful life on a straight line basis as follows:

Type of Asset : Computer software

Useful life : 4 years

**(vii) Financial Instruments:**

**Financial assets - Initial recognition:**

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**Subsequent measurement:**

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

**(i) Measured at amortised cost:**

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

## Notes to Consolidated financial statements for the year ended March 31, 2021

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Group can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income.

**Impairment**

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVTOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss.

For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

**De-recognition**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement.

In that case, the Group 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 Group has retained.

# Notes to Consolidated financial statements for the year ended March 31, 2021

**Financial Liabilities**

**Initial Recognition and measurement**

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using Effective Interest Rate (EIR) method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

**De-recognition**

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 recognized in the Statement of Profit and Loss.

**Derivative financial instruments**

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(viii) Fair Value Measurement**

The Group measures financial instruments, such as, derivatives, investments 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:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# Notes to Consolidated financial statements for the year ended March 31, 2021

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**(ix) Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**(x) Foreign Currency Transactions:**

**a) Initial Recognition**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

**b) Measurement of Foreign Currency Items at the Balance Sheet Date**

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

**c) Treatment for Foreign subsidiaries**

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Any exchange differences arising on consolidation is recognised in Foreign Currency Translation Reserve.

**(xi) Revenue Recognition:**

The Group derives revenues primarily from information technology services comprising of software development, consulting and customer support services, and from the licensing of software products and platforms.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Arrangements with customers for information technology services are either on a fixed-price, fixed-time frame or on a time-and-material basis.

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-time frame 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.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as Income billed in advance).Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements : license, implementation and Annual Maintenance Services (AMS). The Group has applied the principles under Ind AS 115 to account for revenues from these performance

## Notes to Consolidated financial statements for the year ended March 31, 2021

obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMS revenue is recognized ratably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Group presents revenues net of indirect taxes in its Statement of Profit and Loss.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

**Dividend**

Dividend Income is recognized when right to receive the same is established.

**(xii) Employee Benefits:**

The Group has provides following post-employment plans:

(a) Defined benefit plans such a gratuity
(b) Defined contribution plans such as Provident fund

**a) Defined-benefit plan:**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of defined benefit obligations at the end of the reporting period less fair value of plan assets. The defined benefit obligations is calculated annually by actuaries through actuarial valuation using the projected unit credit method.

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and fair value of plan assets. This cost is included in employee benefit expenses in the Statement of Profit & Loss.

**b) Defined-contribution plan:**

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

**c) Other employee benefits:**

(a) 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 a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

# Notes to Consolidated financial statements for the year ended March 31, 2021

**(xiii) Taxes on Income:**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**(xiv) Borrowing Cost :**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets 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 recognized as an expense in the period in which they are incurred.

**(xv) Earnings per share :**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders of the Group by the weighted average number of equity shares of the Group outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders of the Group and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(xvi) Leases :**

**Where the Group is Lessee**

The Group's lease asset classes primarily consist of leases for land and buildings. The Group 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 Group assesses whether:

(i) the contract involves the use of an identified asset;

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease; and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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.

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.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

# Notes to Consolidated financial statements for the year ended March 31, 2021

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 Group changes its assessment if 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.

**Where the Group is Lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. The Group recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

**(xvii) Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

# Notes to Consolidated financial statements for the year ended March 31, 2021

## 2 Property, plant and equipment

(₹ in Lakhs)

| | Land | Buildings | Plant & equipment | Furniture & fixtures | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | |
| **Balance as at April 1, 2019** | **23.78** | **1,812.60** | **305.61** | **1,214.05** | **49.92** | **74.19** | **387.60** | **3,867.75** |
| Additions | | - | 4.95 | 1.62 | - | 6.38 | 160.18 | 173.13 |
| Disposals/reclassified on account of adoption of Indas 116 | 23.78 | - | 4.19 | 16.44 | - | - | 31.52 | 75.93 |
| **Balance as at March 31, 2020** | **-** | **1,812.60** | **306.37** | **1,199.23** | **49.92** | **80.57** | **516.26** | **3,964.95** |
| Additions | | 251.28 | | | | | 103.45 | 354.73 |
| Adjustment /Disposals | - | - | 2.92 | 19.20 | 6.41 | 30.80 | (3.15) | 56.18 |
| **Balance as at March 31, 2021** | **-** | **2,063.88** | **303.45** | **1,180.03** | **43.51** | **49.77** | **622.86** | **4,263.50** |
| | | | | | | | | |
| **Accumulated Depreciation** | | | | | | | | |
| **Balance as at March 31, 2019** | **1.50** | **127.34** | **141.54** | **343.14** | **21.76** | **26.11** | **167.88** | **829.28** |
| Depreciation charged for the year | | 39.95 | 34.58 | 121.18 | 7.38 | 13.58 | 97.20 | 313.87 |
| Disposals/reclassified on account of adoption of Indas 116 | 1.50 | - | 3.98 | 15.97 | - | - | 30.43 | 51.88 |
| **Balance as at March 31, 2020** | **-** | **167.29** | **172.14** | **448.35** | **29.14** | **39.69** | **234.65** | **1,091.27** |
| Depreciation charged for the year | | 99.64 | 23.45 | 121.37 | 5.23 | 10.09 | 110.87 | 370.65 |
| Adjustment /Disposals | - | - | 2.77 | 18.56 | 6.09 | 28.40 | (3.33) | 52.49 |
| **Balance as at March 31, 2021** | **-** | **266.93** | **192.82** | **551.16** | **28.28** | **21.38** | **348.85** | **1,409.43** |
| | | | | | | | | |
| **Net Block** | | | | | | | | |
| **Balance as at March 31, 2020** | **-** | **1,645.31** | **134.23** | **750.88** | **20.78** | **40.88** | **281.61** | **2,873.68** |
| **Balance as at March 31, 2021** | **-** | **1,796.95** | **110.63** | **628.87** | **15.23** | **28.39** | **274.01** | **2,854.07** |

**Notes:**

a. Refer note no. 21 for disclosure on property, plant and equipment pledged as security.

b. Refer note no. 34 for disclosure on contractual commitments for the acquisition of property, plant and equipment.

## 3 Right of use (RoU)-Land

(₹ in Lakhs)

| Particulars | Land | Building | Total |
|---|---|---|---|
| **Gross carrying amount** | | | |
| **Balance as at April 1, 2019** | **-** | **-** | **-** |
| Additions/reclassified on account of adoption of Indas 116 | 22.28 | 191.54 | 213.82 |
| Disposals | - | - | - |
| **Balance as at March 31, 2020** | **22.28** | **191.54** | **213.82** |
| Additions | - | - | - |
| Adjustment /Disposals | - | - | - |
| **Balance as at March 31, 2021** | **22.28** | **191.54** | **213.82** |
| | | | |
| **Accumulated Depreciation** | | | |
| **Balance as at April 1, 2019** | **-** | **-** | **-** |
| Depreciation charged for the year | 0.50 | 8.56 | 9.06 |
| Adjustment /Disposals | - | (0.57) | (0.57) |
| **Balance as at March 31, 2020** | **0.50** | **9.13** | **9.63** |
| Depreciation charged for the year | 0.50 | 35.73 | 36.23 |
| Adjustment /Disposals | - | (5.68) | (5.68) |
| **Balance as at March 31, 2021** | **1.00** | **50.54** | **51.54** |
| | | | |
| **Net Block** | | | |
| **Balance as at March 31, 2020** | **21.78** | **182.41** | **204.19** |
| **Balance as at March 31, 2021** | **21.28** | **141.00** | **162.28** |

Land was taken on lease for 66 years from September, 1997.

# Notes to Consolidated financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 4 Capital work-in progress | Building | Office Equipments | Computers | Total |
|---|---|---|---|---|
| **Balance as at March 31, 2019** | **251.28** | **2.26** | **15.64** | **269.18** |
| Additions during the year | - | - | - | - |
| Capitalised during the year | - | 2.26 | 15.64 | 17.90 |
| **Balance as at March 31, 2020** | **251.28** | **-** | **-** | **251.28** |
| Additions during the year | - | - | 7.26 | 7.26 |
| Capitalised during the year | 251.28 | - | - | 251.28 |
| **Balance as at March 31, 2021** | **-** | **-** | **7.26** | **7.26** |

**5 Investment property**

(₹ in Lakhs)

| Particulars | Buildings |
|---|---|
| **Gross carrying amount** | |
| **Balance as at April 1, 2019** | **943.63** |
| Additions | - |
| Adjustment /Disposals | - |
| **Balance as at March 31, 2020** | **943.63** |
| Additions | - |
| Adjustment /Disposals | - |
| **Balance as at March 31, 2021** | **943.63** |
| | |
| **Accumulated depreciation** | |
| **Balance as at April 1, 2019** | **51.26** |
| Additions | 19.97 |
| Adjustment /Disposals | - |
| **Balance as at March 31, 2020** | **71.23** |
| Depreciation charged for the year | 19.98 |
| Adjustment /Disposals | - |
| **Balance as at March 31, 2021** | **91.21** |
| | |
| **Net Block** | |
| **Balance as at March 31, 2020** | **872.40** |
| **Balance as at March 31, 2021** | **852.42** |

**Note:**

a) Refer note no. 22 for certain Investment Property mortgaged as collateral security against bank borrowings

b) Refer note no. 39 for information regarding income and expenditure of Investment property.

c) Investment property include ₹ 0.04 lakhs (previous year ₹ 0.04 Lakhs) being the value of 80 (Previous Year 80) shares of ₹ 50 each in Acme Plaza Premises Co-operative Society Ltd.

d) Fair value of investment property

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Investment Property** | **3,953.94** | **3,930.50** |

The fair value of investment property has been determined based on the Ready Reckoner value prevailing as on the date of Balance Sheet, which is considered to be best benchmarking of current prices in an active market.

# Notes to Consolidated financial statements for the year ended March 31, 2021

## 6 Intangible assets

(₹ in Lakhs)

| Intangible assets | Software |
|---|---|
| **Balance as at March 31, 2019** | **1,182.49** |
| Additions | 421.16 |
| Adjustment /Disposals | - |
| **Balance as at March 31,2020** | **1,603.65** |
| Additions | 1007.26 |
| Adjustment /Disposals | 14.34 |
| **Balance as at March 31,2021** | **2,596.57** |
| | |
| **Accumulated amortisation** | |
| **Balance as at March 31, 2019** | **695.11** |
| Amortisation for the year | 290.85 |
| Impairment during the year | 256.58 |
| Adjustment /Disposals | (52.92) |
| **Balance as at March 31,2020** | **1,295.46** |
| Amortisation for the year | 240.13 |
| Impairment during the year | - |
| Adjustment /Disposals | 0.78 |
| **Balance as at March 31,2021** | **1,534.81** |
| | |
| **Net Block** | |
| **Balance as at March 31, 2020** | **308.19** |
| **Balance as at March 31, 2021** | **1,061.76** |

## 7 Intangible assets under development

(₹ in Lakhs)

| Intangible assets under development | Software |
|---|---|
| **Balance as at April 1, 2019** | **1,238.39** |
| Additions during the year | 332.90 |
| Capitalised during the year | 341.98 |
| Impairment during the year | 286.33 |
| Adjustments | (36.22) |
| **Balance as at March 31, 2020** | **979.20** |
| Additions during the year | - |
| Capitalised during the year | 979.20 |
| Impairment during the year | - |
| Adjustments/Disposals | - |
| **Balance as at March 31, 2021** | **-** |

(₹ in Lakhs)

| 8 Investments - Non-Current | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unquoted, fully paid up** | | |
| ***Investments in Mutual Funds*** | | |
| ***Designated as fair value through Profit or Loss*** | | |
| UTI Income Opportunities Fund - Dir - Growth segregated Nil (As at March 31, 2020-3,432,014.329) units of ₹10 each | - | 6.80 |
| UTI Money Market Fund - Dir - Growth 9,361.619 (As at March 31, 2020- 14,268.641) units of ₹10 each | 224.23 | 323.57 |
| | **224.23** | **330.37** |
| **Note:** | | |
| Aggregate amount of quoted investments and fair value thereof | - | - |
| Aggregate amount of unquoted investments and fair value therof at Net Asset Value | **224.23** | **330.37** |
| Aggregate amount of impairment in value of investments | - | - |

# Notes to Consolidated financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 9 Other financial assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Non Current** | | |
| **Unsecured, considered good** | | |
| Security Deposits | 30.33 | 38.68 |
| Fixed Deposit with banks having maturity more than 12 months | 100.00 | - |
| Interest receivable on Fixed Deposits | 0.08 | - |
| | | |
| **Total** | **130.41** | **38.68** |

(₹ in Lakhs)

| 10 Other non-current assets | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Capital advances | 1.97 | - |
| Prepaid expenses | 4.72 | 3.06 |
| **Total** | **6.69** | **3.06** |

(₹ in Lakhs)

| 11 Investments - current | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Designated as Fair Value Through Profit and Loss** | | |
| **Unquoted. fully paid up** | | |
| **Investments in Mutual Funds** | | |
| UTI Fixed Term Income Fund Series- XXX - X (1267 Days) - Direct Growth Plan-xxx-x (1267 days) - I - Institutional Growth Plan 1,000,000.000 (As at March 31,2020- 1,000,000.000) units of ₹ 10 each | 126.36 | 116.28 |
| BNP Paribas Corporate Liquid Fund - Dir - Growth Nil (As at March 31, 2020-6,995. 356) units of ₹ 10 each | - | 213.89 |
| HDFC Money Market Fund - Dir - Growth 12,318.864 (As on March 2020 12,318.864 ) units of ₹ 10 each | 551.13 | 519.83 |
| HDFC Low Duration Fund - Dir - Growth 1,163,284.216 (As on March 2020 1,163,284.216) units of ₹ 10 each | 553.43 | 514.27 |
| Vanguard Federal Money Market fund(3,860,534.6600 units (As on March 31,2020 1,258,493.5600 Nil) of USD 1.00 | 2,822.25 | 952.18 |
| | **4,053.17** | **2,316.45** |
| Aggregate amount of quoted investments and fair value thereof | - | - |
| Aggregate amount of unquoted investments and fair value therof at Net Asset Value | **4,053.17** | **2,316.45** |
| Aggregate amount of impairment in the value of investments | - | - |

(₹ in Lakhs)

| 12 Trade receivables | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Unsecured** | | |
| Trade receivables considered good | 2,497.93 | 2,825.29 |
| Trade receivables which have significant increase in credit risk | 620.09 | 295.19 |
| **Total** | **3,118.02** | **3,120.48** |
| Less: Provision for doubtful debts and expected credit loss | 620.09 | 295.19 |
| **Total** | **2,497.93** | **2,825.29** |

(₹ in Lakhs)

| 13 Cash and cash equivalents | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Balances with banks** | | |
| In current accounts | 1,145.59 | 788.91 |
| Cash on hand | 0.71 | 2.24 |
| **Total** | **1,146.30** | **791.15** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| **14 Bank balances other than above** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Balances with banks** | | |
| in unpaid dividend accounts | 17.62 | 16.78 |
| in fixed deposit accounts * | | |
| months | 711.82 | 537.66 |
| | **729.44** | **554.44** |
| *Fixed Deposits with Banks held as margin money against the following: | | |
| Guarantees issued to Municipal Corporations | 42.91 | 41.66 |

(₹ in Lakhs)

| **15 Loans** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Unsecured, considered good** | | |
| Loans to employees | 3.33 | 5.97 |
| **Total** | **3.33** | **5.97** |

(₹ in Lakhs)

| **16 Other financial assets** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Unsecured, considered good, unless otherwise stated** | | |
| Unbilled revenue | 256.63 | 349.75 |
| Security deposits | | |
| Considered good | 27.53 | 20.12 |
| Considered doubtful | 3.15 | 4.40 |
| **Total** | **30.68** | **24.52** |
| Less: Provision for doubtful deposits | (3.15) | (4.40) |
| | **27.53** | **20.12** |
| Interest receivable on deposits | 29.22 | 2.38 |
| Derivative Financial Assets (forex contract) | 15.54 | - |
| **Total** | **328.92** | **372.25** |

(₹ in Lakhs)

| **17 Current tax Assets (net)** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Unsecured, considered good** | | |
| Advance Tax (Net of Provisions ₹1347.49 lakhs) | 137.65 | - |
| **Total** | **137.65** | **-** |

(₹ in Lakhs)

| **18 Other current assets** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Unsecured, considered good** | | |
| Advances for supply of goods and rendering of services | 2.03 | 46.96 |
| Prepaid expenses | 96.51 | 107.78 |
| Lease equalisation | - | 0.70 |
| Advance rent | 1.59 | - |
| Advances to employees | 21.11 | 18.10 |
| Balances with government authorities | 14.19 | - |
| Other receivables | - | 7.90 |
| **Total** | **135.43** | **181.44** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 19 Equity share capital | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Authorised** | | |
| 36,000,000 Equity Shares of ₹ 10 each | 3,600.00 | 3 ,600.00 |
| | **3,600.00** | **3 ,600.00** |
| **Issued** | | |
| **27,604,052** (As at March 31, 2019- 27,520,552 ) Equity Shares of ₹10 each | 2,760.41 | 2,752.06 |
| | **2,760.41** | **2,752.06** |
| **Subscribed and paid-up** | | |
| **27,599,093** (As at March 31, 2020- 27,515,593) Equity Shares of ₹ 10 each * | 2,759.91 | 2,751.56 |
| | **2,759.91** | **2,751.56** |

*[Allotment of **4,959** (Previous Year 4,959) bonus shares on **3,967** (Previous Year 3,967) equity shares is pending on account of non-establishment of beneficial ownership by National Securities Depository Limited]

(₹ in Lakhs)

**a) Reconciliation of number of shares**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount** | **Number of shares** | **Amount** |
| **Equity Shares :** | | | | |
| Balance as at the beginning of the year | 27,515,593 | 2,751.56 | 27,515,593 | 2,751.56 |
| Add: Shares issued on exercise of employee stock options | 83,500 | 8.35 | - | - |
| (Refer note no:-45) | | | | |
| **Balance as at the end of the year** | **27,599,093** | **2,759.91** | **27,515,593** | **2,751.56** |

**b) Rights, preferences and restrictions attached to shares**

The Parent Company has only one class of equity shares having a face value of ₹10 per share. Each shareholder has a right to vote in respect of such share, on every resolution and his voting right on a poll shall be in proportion to his share of the paid-up equity capital of the Parent Company. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Parent Company after payments to secured and unsecured creditors in proportion to their shareholding.

**c) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Parent Company**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Nos.** | **%** | **Nos.** | **%** |
| Vish Tadimety | 5,737,189 | 20.79% | 5,732,189 | 20.83% |
| Indotech Holdings LLC | 3,900,000 | 14.13% | 3,900,000 | 14.17% |
| Steven Jeske | 2,281,433 | 8.27% | 2,431,433 | 8.84% |
| Joseph M Vanek (wef October 18,2019) | 1,390,000 | 5.04% | 1,385,000 | 5.03% |

**d) During the previous five years, the Parent Company has not issued Bonus shares/bought back shares/issued shares for consideration other than cash.**

**e) Refer note no. 45 in respect of Employee Stock Option Plan (ESOP Plan)**

# Notes to Consolidated financial statements for the year ended March 31, 2021

## 20 Other equity

(₹ in Lakhs)

| Particulars | Capital reserves | Securities premium | Equity settled employee benefits reserve | Retained earnings | Foreign currency translation reserve | Other items of other comprehensive Income {actuarial gains/(losses)} | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at March 31, 2020** | **167.50** | **1,715.54** | **194.63** | **4,371.39** | **269.23** | **(58.22)** | **6,660.08** |
| Profit for the year | - | - | - | 2,408.80 | - | - | 2,408.79 |
| Other comprehensive income/(loss) for the year | - | - | - | - | - | (32.88) | (32.88) |
| Transfer on account of Grant of Stock Options | - | - | 12.30 | - | - | - | 12.30 |
| Transfer for exercise of Stock Options | - | 14.86 | - | | - | - | 14.86 |
| Transfer on account of Stock Options not exercised/forfeited during the year | - | 12.34 | (38.82) | 26.48 | - | - | - |
| Foreign currency translation reinstatement | - | - | - | - | (67.21) | - | (67.21) |
| Dividend paid | - | - | - | (275.44) | - | - | (275.44) |
| **Balance as at March 31, 2021** | **167.50** | **1,742.74** | **168.11** | **6,531.23** | **202.01** | **(91.10)** | **8,720.49** |

**Purpose of the reserves:**

1 **Capital reserve:** Capital reserve represents the forfeiture of application money received against share warrants.

2 **Securities premium:** The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment.

3 **Equity settled employee benefits reserve:** The fair value of the equity-settled employee benefits reserve with employees is recognised in Statement of Profit and Loss with corresponding credit to Equity settled share employee benefit reserve. The same is transferred to securities premium at the time of exercise of options or to retained earnings in the event of forfeiture, non-vesting or lapse.

4 **Retained earnings:** The profits that the Group has earned till date, less dividends or other distributions paid to shareholders.

(₹ in Lakhs)

| 21 Other financial liabilities | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Measured at amortised cost** | | |
| **a) Non-current** | | |
| Security deposits received against leased premises | 124.16 | 191.98 |
| | | |
| **Non-current total (A)** | **124.16** | **191.98** |
| | | |
| **b) Current** | | |
| Security deposits received | 3.31 | - |
| Unclaimed Dividend* | 17.62 | 16.67 |
| Payable for capital expenditure | 12.16 | 13.20 |
| Derivative liabilities -foreign exchange contracts | - | 85.74 |
| Interest accrued but not due on Borrowings | 3.38 | - |
| **Current total (B)** | **36.47** | **115.61** |
| | | |
| **Total (A+B)** | **160.63** | **307.59** |

* There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021.

# Notes to Consolidated financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| 22 Current borrowings | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Secured** | | |
| Cash Credit (Refer note {i}) | 180.76 | 276.87 |
| | **180.76** | **276.87** |
| **Unsecured** | | |
| PPP Loan from CITI bank (Refer note {ii}) | 369.26 | - |
| | **369.26** | **-** |
| **Total** | **550.02** | **276.87** |

**Note:**

i) Cash Credit from Bank carry interest @ 8.10% (previous year 10.10%) p.a. computed on monthly basis on the actual amount utilised and are repayable on demand. Cash credit is secured by way of-

a) hypothecation of book debts and other receivables
b) second charge on immovable property of the Group at Thane, and
c) personal guarantee of Executive Director of the Group.

ii) During the year, the Group has received a loan of ₹ 369.25 lakhs under Payroll Protection Plan of Small Business Administration(USA) from CITI bank bearing interest @ 1% p.a. The Group is in the process of filing the forgiveness application as per the scheme and will recognize the revenue, if any, post approval of the application. The total amount is repayable to the bank in case of non approval of the application.

(₹ in Lakhs)

| 23 Lease liabilities | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Current | 31.72 | 30.74 |
| Non Current | 118.99 | 155.98 |
| **Total** | **150.71** | **186.72** |

(₹ in Lakhs)

| 24 Trade payables | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Trade payables [Refer note (a) below]** | | |
| -Total outstanding dues of micro enterprises and small enterprises | 12.91 | 16.00 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 925.94 | 1,042.16 |
| **Total** | **938.85** | **1,058.16** |

**Note (a)**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("the Act") is based on the information available with the Group regarding the status of registration of such vendors under the Act, as per the intimation received from them on request made by the Group.

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 12.91 | 16.00 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | - |

## Notes to Consolidated financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

(₹ in Lakhs)

| 25 Other current liabilities | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Income received in advance | 475.28 | 181.35 |
| Employee payable | - | 0.27 |
| Statutory dues | 129.28 | 77.31 |
| **Total** | **604.56** | **258.93** |

(₹ in Lakhs)

| 26 Provisions | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Current** | | |
| **Provision for employee benefits** | | |
| Provision for compensated absences | 147.26 | 107.64 |
| Provision for gratuity | 105.56 | 131.30 |
| **Total** | **252.82** | **238.94** |

(₹ in Lakhs)

| 27 Current tax liabilities (net) | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Provision for tax | - | 944.36 |
| Net of advance tax of ₹Nil (As at March 31, 2020 of ₹ 929.05 lakhs ) | | |
| **Total** | **-** | **944.36** |

(₹ in Lakhs)

| 28 Revenue from operations | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| **Sale of services** | | |
| Information technology services | 11,779.69 | 11,281.63 |
| **Total** | **11,779.69** | **11,281.63** |

(₹ in Lakhs)

| 29 Other income | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Rent received | 373.43 | 479.81 |
| Less: Rates and taxes (directly attributable) | (22.63) | (27.12) |
| | **350.80** | **452.69** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| **Interest income on:** | | |
| Loans given | 0.42 | 0.66 |
| Deposit with banks | 44.04 | 13.87 |
| Other deposits | 2.96 | - |
| Income tax refund | 10.21 | 4.72 |
| Dividend income | 1.51 | 4.21 |
| Profit on sale of investments in mutual funds | 17.22 | - |
| Gain on fair valuation of investments in mutual funds | 92.47 | 55.86 |
| Exchange gain (net) | 32.25 | 97.85 |
| Sundry credit balances written back (Net) | 145.86 | 4.47 |
| Miscellaneous income | 1.03 | 0.04 |
| **Total** | **698.77** | **634.37** |

(₹ in Lakhs)

| 30 Employee benefits expense | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Salaries and wages | 7282.22 | 6,477.53 |
| Contribution to provident and other funds | 77.25 | 62.50 |
| Share based payment to employees | 12.30 | 19.14 |
| Staff welfare expense | 155.41 | 204.09 |
| | **7,527.18** | **6,763.26** |
| (Less:) Transferred to intangible assets under development | - | (240.38) |
| **Total** | **7,527.18** | **6,522.88** |

(₹ in Lakhs)

| 31 Finance costs | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Interest expense | 4.51 | 26.77 |
| Other finance cost on unwinding of discount | 22.88 | 21.80 |
| Interest on lease liability | 7.57 | 2.02 |
| **Total** | **34.96** | **50.59** |

(₹ in Lakhs)

| 32 Depreciation and amortisation expense | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Depreciation on property, plant and equipment | 370.65 | 313.86 |
| Amortisation of Right of Use (RoU)-Assets | 36.23 | 9.06 |
| Depreciation on investment property | 19.98 | 19.97 |
| Amortisation on Intangible assets | 240.12 | 290.86 |
| **Total** | **666.98** | **633.75** |

(₹ in Lakhs)

| 33 Other expenses | For the Year ended March 31, 2021 | For the Year ended March 31, 2020 |
|---|---|---|
| Rent | 54.61 | 86.83 |
| Repairs & maintenance | | |
| Buildings | 49.91 | 63.06 |
| Plant and equipment | 109.66 | 94.68 |
| Others | 62.60 | 90.12 |

# Notes to Consolidated financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| Insurance | 43.77 | 41.09 |
| Rates and taxes | 45.94 | 51.77 |
| Travelling and conveyance | 21.78 | 292.24 |
| Communication | 60.64 | 59.07 |
| Electricity expense | 57.67 | 104.15 |
| Professional fees | 236.07 | 279.97 |
| Provision for doubtful receivables and advances | - | 7.91 |
| Provision for expected credit losses | 324.90 | 23.78 |
| Directors' sitting fees/commission | 32.89 | 22.50 |
| Auditors' remuneration: | | |
| Audit fees | 27.09 | 15.11 |
| Limited review fees | 4.50 | 8.76 |
| Certification | 0.75 | 0.75 |
| Reimbursement of expenses-(excluding Goods and service tax) | 0.08 | 1.57 |
| Security expenses | 28.32 | 40.39 |
| Corporate social responsibility expenses (Refer Note no.40) | 14.55 | 13.25 |
| Sundry balances written off | 1.25 | - |
| (Less): Transfer from Provision for Doubtful Advances | (1.25) | - |
| Loss on sale of long term investment in mutual fund | - | 16.13 |
| Loss on plant, property and equipment disposed / discarded (net) | 1.82 | 1.77 |
| Miscellaneous expenses | 245.33 | 312.97 |
| **Total** | **1,422.88** | **1,627.87** |

| 34 | Earnings Per Share (EPS) | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| | Profit after tax available for Equity Shareholders (₹ in lakhs) | 2,408.79 | 1,322.41 |
| | Weighted Average Number of Equity Shares outstanding for computing Basic EPS | 27,550,144 | 27,516,549 |
| | Add: Weighted average number of potential equity shares on account of employee stock options Nos | 540,342 | 220,161 |
| | Weighted Average Number of Equity Shares outstanding for computing Diluted EPS | 28,090,486 | 27,736,710 |
| | Nominal value of Equity Shares (In ₹) | 10.00 | 10.00 |
| | **Basic Earnings Per Share** (In ₹) | **8.74** | **4.81** |
| | **Diluted Earnings Per Share** (In ₹) | **8.58** | **4.77** |

**(₹ in Lakhs)**

| 35 | Contingent Liabilities And Commitments | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| A) | **Contingent Liabilities** | | |
| | Disputed income tax demands (Including interest and penalties) | - | 136.44 |
| | **Total** | **-** | **136.44** |

i) Tax expense for the year ended on March 31,2021 includes one-time write back of ₹809.08 lakhs arising out of the impact of settlement of past litigations under the Vivad Se Vishwas Scheme, 2020. Due to this, there is an increase in Basic EPS by ₹ 2.94 and Diluted EPS by ₹ 2.88 for the year.

ii) The Group's pending litigations comprise mainly claims against the Group, proceedings pending with Tax and other Authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

# Notes to Consolidated financial statements for the year ended March 31, 2021

(₹ in Lakhs)

| B) | Commitments | As at March 31, 2021 | As at March 31, 201920 |
|---|---|---|---|
| | Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | - | - |

**36 Disclosure on Related Party Transactions**

**A) Names of related parties and description of relationship, with whom transaction has been entered into:**

**a) Key Management Personnel (KMP) :**

Mr. Ramasubramanian Sankaran - Executive Director
Mr. Praveen Agarwal- Chief Financial Officer
Ms. Sarita Leelaramani- Company Secretary
Mr. Vish Tadimety- Non Excutive Director in Parent Company
Mr. Steven Jeske-Non Executive Director in Parent Company

**b) Non-Executive and Independent Directors**

**Non-Executive directors**
Ms. Amogha Tadimety

**Independent directors**
Ms.Angela Cook Wilcox
Dr. N.L. Sarda
Mr.Marezban Padam Bharucha
Mr.Shreepad Karmalkar
Mr.Sudhir Joshi

**Director of Spatialitics LLC- (USA)**
Mr. Joseph Michael Vanek

**B) Related party transactions with KMP's during the year:**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Remuneration paid to*** | | |
| Mr.Vish Tadimety | 284.54 | 237.66 |
| Mr.Steven Jeske | 213.41 | 184.02 |
| Mr. Ramasubramanian Sankaran | 76.14 | 60.56 |
| Mr. Praveen Agarwal | 30.56 | 28.41 |
| Ms. Sarita Leelaramani | 12.20 | 11.23 |
| | | |
| **Directors Sitting Fees** | | |
| Mr. Vish Tadimety | 2.60 | 2.60 |
| Mr. Steven Jeske | 2.20 | 2.00 |
| Mr. Sudhir Joshi | 3.60 | 3.80 |

# Notes to Consolidated financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| Mr. M.P. Bharucha | 0.60 | 0.60 |
| Mr. N.L.Sarda | 2.20 | 2.40 |
| Mr. Shreepad karmalkar | 0.40 | 1.00 |
| Ms. Angela Cook Wilcox | 0.80 | 0.80 |
| Ms. Amoga Tadimety | 1.80 | 0.80 |
| Mr. Joseph Michael Vanek | 2.00 | - |
| | | |
| **Commission to Directors** | 16.68 | 8.50 |

**C) Outstanding balances**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| **Trade Payables*** | | |
| Mr. Vish Tadimety | 11.70 | 12.11 |
| Mr. Steven Jeske | 8.77 | 9.08 |
| Mr. Ramasubramanian Sankaran | 5.20 | 14.77 |
| Mr. Praveen Agarwal | 1.42 | 1.35 |
| Ms. Sarita Leelaramani | 0.45 | 0.41 |
| Director's commission payable | 12.00 | 8.50 |
| | | |
| **Guarantee taken** | | |
| Mr. Ramasubramanian Sankaran | 180.76 | 276.88 |

* The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

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

**Notes:**

(i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.

(iii) Related party relationships have been identified by the management and relied upon by the Auditors.

**37 Segment Reporting**

The Group is engaged in the business of Information Technology Services and its operations are regularly reviewed by Chief Operating Decision Maker for assessment of Group's performance and resource allocation. Accordingly, the Group has only one business segment in accordance with the IND AS – 108 "Operating Segments".

# Notes to Consolidated financial statements for the year ended March 31, 2021

## 38 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

**Defined Benefit Plan - Gratuity**

In accordance with the applicable laws, the Group provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date and the Parent Company makes contribution to the gratuity fund administered by HDFC under Gratuity Scheme.

The disclosure in respect of the defined Gratuity Plan are given below:

**A. Balance Sheet**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2010** |
|---|---|---|
| Present value of plan liabilities | (274.67) | (206.20) |
| Fair value of plan assets | 169.11 | 74.90 |
| **Asset/(Liability) recognised** | **(105.56)** | **(131.30)** |

**B. Movements in plan assets and plan liabilities**

**(₹ in Lakhs)**

| **Particulars** | **Present value of obligations** | **Fair Value of Plan assets** |
|---|---|---|
| **As at April 1, 2020** | **206.20** | **74.90** |
| Current service cost | 22.31 | - |
| Past service cost | - | - |
| Interest Cost/(Income) | 14.15 | 5.14 |
| Return on plan assets excluding amounts included in net finance income/cost | - | (0.78) |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | 29.13 | - |
| Actuarial (gain)/loss arising from experience adjustments | 14.03 | - |
| Employer contributions | - | 101.00 |
| Benefit payments | (11.15) | (11.15) |
| **As at March 31, 2021** | **274.67** | **169.11** |

**(₹ in Lakhs)**

| **Particulars** | **Present value of obligations** | **Fair Value of Plan assets** |
|---|---|---|
| **As at April 1, 2019** | **152.30** | **14.47** |
| Current service cost | 17.36 | - |
| Interest Cost/(Income) | 11.86 | 1.13 |
| Return on plan assets excluding amounts included in net finance income/cost | - | 1.01 |
| Actuarial (gain)/loss arising from changes in demographic assumptions | - | - |
| Actuarial (gain)/loss arising from changes in financial assumptions | 26.76 | - |
| Actuarial (gain)/loss arising from experience adjustments | 19.63 | - |
| Employer contributions | - | 80.00 |
| Benefit payments | (21.71) | (21.71) |
| **As at March 31, 2020** | **206.20** | **74.90** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

**C. Statement of Profit and Loss**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Employee Benefit Expenses:** | | |
| Current service cost | 22.31 | 17.36 |
| Interest cost/(income) | 9.01 | 10.74 |
| **Total amount recognised in Statement of profit & loss** | **31.32** | **28.10** |
| **Remeasurement of the net defined benefit liability:** | | |
| Actuarial gains/(losses) arising from changes in demographic assumptions | - | - |
| Actuarial gains/(losses) arising from changes in financial assumptions | - | - |
| Actuarial gains/(losses) due to experience | 43.16 | 46.40 |
| Return on plan assets (excluding interest income) | 0.78 | (1.02) |
| **Total amount recognised in Other Comprehensive Income** | **43.94** | **45.38** |

**D. Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Financial Assumptions** | | |
| Discount rate | 6.90% | 6.86% |
| Salary Escalation Rate | 3.25% | 2.25% |

**E. Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

| | Impact on defined benefit obligation | | |
|---|---|---|---|
| **Particulars** | **Change in assumption** | **Increase in assumption (₹ in lakhs)** | **Decrease in assumption (₹ in lakhs)** |
| Discount Rate | 1.00% | (30.80) | 37.01 |
| Salary Escalation Rate | 1.00% | 35.07 | (30.27) |
| Attrition Rate | 1.00% | 14.92 | (17.10) |

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

**F. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:**

(₹ in Lakhs)

| Year ending March 31, | Defined benefit obligation |
|---|---|
| 2022 | 16.44 |
| 2023 | 5.78 |
| 2024 | 7.63 |

# Notes to Consolidated financial statements for the year ended March 31, 2021

| | |
|---|---|
| 2025 | 6.39 |
| 2026 | 34.91 |
| Thereafter | 707.36 |

**ii) Compensated Absences:** The Group permits encashment of compensated absence accumulated by Holding Company employees on retirement, separation and during the course of service. The liability in respect of the Group, for outstanding balance of leave at the balance sheet date is determined and provided on the basis of actuarial valuation as on March 31, 2021 performed by an independent actuary. The Parent Company doesn't maintain any plan assets to fund its obligation towards compensated absences. In case of subsidiary company employees the compensated absence is paid during the year.

The disclosure in respect of the defined Compensated Absences are given below:

**(₹ in Lakhs)**

| **Particulars** | **For the Year ended March 31, 2021** | **For the Year ended March 31, 2020** |
|---|---|---|
| Expenses recognised in Statement of Profit and Loss | 79.10 | 79.35 |

**(₹ in Lakhs)**

| **Particulars** | **For the Year ended March 31, 2021** | **For the Year ended March 31, 2020** |
|---|---|---|
| Compensated absence liability recognized | 147.26 | 107.64 |

**39 Group as a Lessor**

The Group has leased its vacant premises under cancellable/non cancellable lease agreements. During the year ₹ 373.43 Lakhs (Previous Year ₹ 479.81 Lakhs) has been recognized as rent income in the Statement of Profit and Loss under head "Other Income"

**Non cancellable contracts**

**(₹ in Lakhs)**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2020** |
|---|---|---|
| Rent due within one year | 17.26 | 16.43 |
| Rent due in a period between one year and five years | 16.54 | 33.79 |
| Rent due after five years | - | - |

**Total Rental Income and expenses thereof:**

**(₹ in Lakhs)**

| **Particulars** | **For the year ended March 31, 2021** | **For the year ended March 31, 2020** |
|---|---|---|
| Rental Income | 373.43 | 479.81 |
| Direct Operating Expenses | 22.63 | 27.12 |
| Depreciation | 19.97 | 19.97 |
| **Net Income** | **330.83** | **432.72** |

**Group as a Lessee**

The Group has taken office premises on long term lease during the year which has been considered as leases under INDAS 116 - "Leases".

Due to adoption of INDAS 116, the nature of expenses in respect of operating leases has changed from "lease rent" to "depreciation cost" and "finance cost" for the right-to-use assets and for interest accrued on lease liability respectively.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 4.5%.

# Notes to Consolidated financial statements for the year ended March 31, 2021

Following are the changes in the carrying value of right of use assets for the year:

**(₹ in Lakhs)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening Balance** | **204.19** | **-** |
| Additions | - | 213.82 |
| Amortisation expenses (Refer Note 3) | (36.23) | (9.06) |
| Adjustments due to foreign exchange | (5.68) | (0.57) |
| **Closing Balance** | **162.28** | **204.19** |

Following is the movement in lease liabilities during the year :

**(₹ in Lakhs)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Opening Balance** | **186.72** | **-** |
| Additions during the year | - | 191.57 |
| Interest accrued during the year | 7.60 | 2.05 |
| Adjustments due to foreign exchange translation | (5.93) | (0.35) |
| Payment of lease liabilities | (37.68) | (6.55) |
| **Closing Balance** | **150.71** | **186.72** |
| Current lease liabilities | 31.72 | 30.74 |
| Non- current lease liabilities | 118.99 | 155.98 |

Break-up of the contractual maturities of lease liabilities on an undiscounted basis:

**(₹ in Lakhs)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Less than one year | 56.26 | 38.47 |
| One to five years | 135.53 | 171.08 |
| More than 5 years | - | - |

Short-term leases have been considered as Operating leases and total rent paid during the year is of ₹ 54.61 lakhs (previous year 86.83 lakhs) which has been shown as rent expenses in Note No 33.

**40 Corporate Social Responsibility Expenditure**

Gross amount required to be spent by the Group as per Section 135 of Companies Act, 2013 during the year is ₹ 14.51 Lakhs (Previous year ₹ 13.03 Lakhs) and amount actually spent during the year is ₹ 14.55 Lakhs (Previous year ₹ 13.25 Lakhs), the details of which is as given below:

**(₹ in Lakhs)**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Gross amount required to be spent by the Company as per Section 135 of Companies Act, 2013 | 14.51 | 13.03 |
| Actual Incurred | | |
| Construction/acquisition of any asset | - | - |
| On purposes other than above | 14.55 | 13.25 |

# Notes to Consolidated financial statements for the year ended March 31, 2021

**41 Financial Risk Management**

**Financial risk management objectives and policies:**

The Group's business activities exposed it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Group's Management has the overall responsibility for establishing and governing the Groups's risk management framework.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market Risk - Interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| Market Risk - Foreign exchange | Financial assets and liabilities | Cash flow forecasting Sensitivity analysis | Hedging, Forex planning |
| Credit risk | Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost. | Ageing analysis/ Credit ratings | Diversification in various class of assets, credit limits |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities; working capital management |

**(A) Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Parent Company is having short term borrowings from banks.

**(i) Exposure to interest rate risk - Financial liabilities**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Borrowings bearing variable rate of interest - Cash credits - short term in nature | 180.76 | 276.87 |

Since, the Parent Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

The Group has received a loan of ₹ 369.25 lakhs under Payroll Protection Plan of Small Business Administration(USA) from CITI bank bearing fixed interest @ 1% p.a.

**(B) Market Risk- Foreign currency risk.**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has foreign currency trade receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Group may be impacted due to volatility of the rupee against foreign currencies.

# Notes to Consolidated financial statements for the year ended March 31, 2021

**Derivative Contracts and unhedged foreign currency exposure**

**Derivative contracts outstanding as at March 31, 2021**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | In Foreign Currency-USD | Amount | In Foreign Currency-USD | Amount |
| Total foreign currency exposures - Receivables | 2,100,000 | 1,575.76 | 2,500,000 | 1,830.71 |

**Unhedged foreign currency exposure as at March 31, 2021**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | In Foreign Currency-USD | Amount | In Foreign Currency-USD | Amount |
| Trade receivables | 598,585 | 437.60 | 7,555 | 5.72 |
| Cash and bank balances | 1,196,655 | 874.81 | 1,031,951 | 780.77 |
| Trade payables | (508,682) | (371.87) | (719,608) | (544.46) |
| **Total** | **1,286,558** | **940.54** | **319,898** | **242.04** |

**A change of 1% in Foreign currency would have following Impact on profit before tax**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | 1% Increase | 1% decrease | 1% Increase | 1% decrease |
| Increase / (decrease) in Profit | 9.41 | (9.41) | 2.42 | (2.42) |

**(C) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and debentures and bonds, foreign exchange transactions and financial instruments.

To manage the credit risk from trade receivables, the Group periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Credit risk from investments is managed by the Group's treasury in accordance with the board approved policy and limits.

To assess whether there is a significant increase in credit risk the Group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees

# Notes to Consolidated financial statements for the year ended March 31, 2021

**Ageing of Account receivables (Gross)**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-3 months | 2,093.52 | 2,031.24 |
| 3-6 months | 6.69 | 276.31 |
| 6 months to 12 months | 2.70 | 234.92 |
| beyond 12 months | 1,015.11 | 578.01 |
| **Total** | **3,118.02** | **3,120.48** |

**Movement in expected credit loss**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| **Opening provision** | 295.19 | 263.50 |
| Add:- Additional provision made | 324.90 | 31.69 |
| Less:- Provision write off/ reversed | - | - |
| Less:- Provision utilised against bad debts | - | - |
| **Closing provisions** | **620.09** | **295.19** |

The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there are 3 customers contributing more than 10% of outstanding trade receivables and unbilled revenues amounting to ₹ 1626.26 lakhs and ₹ 221.23 lakhs respectively(Previous year ₹ 1,773.92 Lakhs and ₹ 79.85 lakhs respectively).

**(D) Liquidity Risk**

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows. The Group's objective is to maintain at all times, optimum levels of liquidity to meet its obligations.

**Financing arrangements**

The Parent Company had access to following undrawn Borrowing facilities at end of reporting period:

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Variable Borrowing -Expires within 1 year | 319.24 | 723.13 |

**Maturity patterns of borrowings**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-1 years | 550.02 | 276.87 |
| more than 1 year | - | - |
| **Total** | **550.02** | **276.87** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

**Maturity patterns of other Financial Liabilities**

**Trade Payables** **(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-1 year | 938.85 | 1,058.16 |
| more than 1 year | - | - |
| **Total** | **938.85** | **1,058.16** |

**Other financial liabilities**

**(₹ in Lakhs)**

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| 0-1 year | 68.19 | 146.35 |
| more than 1 year | 243.15 | 347.96 |
| **Total** | **311.34** | **494.31** |

**42 Financial instruments**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions are used to estimate the fair values:**

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3 : techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

## a. Financial assets

(₹ in lakhs)

| | Instruments carried at fair value | | | | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|---|---|---|
| **Particulars** | **FVOCI (Equity instruments)** | **FVOCI (Other instruments)** | **FVTPL** | **At Cost** | **Total fair value (A)** | **Carrying amount (B)** | **Fair Value** | **Total carrying amount (A+B)** |
| **As at March 31, 2021** | | | | | | | | |
| Other investments | - | - | 4,277.40 | - | 4,277.40 | - | - | 4,277.40 |
| Trade receivables | - | - | - | - | - | 2,497.93 | 2,497.93 | 2,497.93 |
| Cash and bank balances | - | - | - | - | - | 1,875.74 | 1,875.74 | 1,875.74 |
| Loans | - | - | - | - | - | 3.33 | 3.33 | 3.33 |

## Notes to Consolidated financial statements for the year ended March 31, 2021

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Other financial assets | - | - | 15.54 | - | 15.54 | 443.79 | 443.79 | 459.33 |
| **Total** | **-** | **-** | **4,292.94** | **-** | **4,292.94** | **4,820.79** | **4,820.79** | **9,113.73** |
| | | | | | | | | |
| **As at March 31, 2020** | | | | | | | | |
| Other investments | - | - | 2,646.82 | - | 2,646.82 | - | - | 2,646.82 |
| Trade receivables | - | - | - | - | - | 2,825.29 | 2,825.29 | 2,825.29 |
| Cash and bank balances | - | - | - | - | - | 1,345.59 | 1,345.59 | 1,345.59 |
| Loans | - | - | - | - | - | 3.20 | 3.20 | 3.20 |
| Other financial assets | - | - | - | - | - | 410.93 | 410.93 | 410.93 |
| **Total** | **-** | **-** | **2,646.82** | **-** | **2,646.82** | **4,585.01** | **4,585.01** | **7,231.83** |

**b. Financial liabilities**

| | **Instruments carried at fair value** | | **Instruments carried at amortized cost** | | **(₹ in Lakhs)** |
|---|---|---|---|---|---|
| | **FVTPL** | **Total carrying amount and fair value (A)** | **Carrying amount (B)** | **Fair value** | **Total carrying amount (A+B)** |
| **As at March 31, 2021** | | | | | |
| Borrowings | - | - | 550.02 | 550.02 | 550.02 |
| Trade payables | - | - | 938.85 | 938.85 | 938.85 |
| Other financial liabilities | - | - | 311.34 | - | 311.34 |
| **Total** | **-** | **-** | **1,800.21** | **1,488.87** | **1,800.21** |
| | | | | | |
| **As at March 31, 2020** | | | | | |
| Borrowings | - | - | 276.87 | 276.87 | 276.87 |
| Trade payables | - | - | 1,058.16 | 1,058.16 | 1,058.16 |
| Other financial liabilities | 85.74 | 85.74 | 408.57 | - | 494.31 |
| **Total** | **85.74** | **85.74** | **1,743.60** | **1,335.03** | **1,829.34** |

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

**c. Fair value estimation**

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

# Notes to Consolidated financial statements for the year ended March 31, 2021

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

(₹ in Lakhs)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at March 31, 2021** | | | | |
| **Assets at fair value** | | | | |
| Investments in Mutual Funds | 4,277.40 | - | - | 4,277.40 |
| Derivative Financial Assets-(Forex Contract) | 15.54 | - | - | 15.54 |
| | | | | |
| **As at March 31, 2020** | | | | |
| **Assets at fair value** | | | | |
| Investments in Mutual Funds | 2,646.82 | - | - | 2,646.82 |
| Derivative Financial Assets-(Forex Contract) | - | - | - | - |

**Note -** Mutual funds are valued using the Closing Net Asset Value (NAV)

**Liabilities at fair value**

(₹ in Lakhs)

| | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **As at March 31, 2021** | | | | |
| **Liabilities at fair value** | | | | |
| Derivative Financial Assets-(Forex Contract) | - | - | - | - |
| | | | | |
| **As at March 31, 2020** | | | | |
| **Liabilities at fair value** | | | | |
| Derivative Financial Assets-(Forex Contract) | 85.74 | - | - | 85.74 |

## 43 Income Taxes

**a) Tax expense recognised in the Statement of Profit and Loss:**

(₹ in Lakhs)

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| **Current tax** | | |
| Current year | 694.56 | 386.56 |
| Adjustments for prior periods | (815.96) | - |
| **Total current tax** | **(121.40)** | **386.56** |
| | | |
| **Deferred tax** | | |
| Origination and reversal of temporary difference | (28.41) | 52.67 |
| Foreign Exchange Fluctuation | - | (5.59) |
| **Total deferred income tax expense/(credit)** | **(28.41)** | **47.08** |
| | | |
| **Total income tax expense/(credit)** | **(149.81)** | **433.64** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

**b) A reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows :**

(₹ in Lakhs)

| Reconciliation of effective tax rate | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Profit before taxation* | 2475.83 | 2067.63 |
| Enacted income tax rate | 26.88% | 26.26% |
| Tax at Income Tax Rate | 665.54 | 542.86 |
| **Differences due to:** | | |
| Expenses not deductible for tax purposes | (4.22) | 162.38 |
| Portion of income on which tax is not payable | (0.24) | (20.52) |
| Amount allowed for development of intangible assets | - | 87.30 |
| Tax expenses pertaining to earlier years | (815.96) | - |
| Carry forward of losses adjusted( not recognised in previous year) | - | (346.70) |
| Others | 5.07 | 8.32 |
| **Effective tax amount** | **(149.81)** | **433.64** |

*Deferred Tax Asset has not been recognised in respect of Spatialitics losses in the absence of future taxable profit in the foreseeable period.

**Movement during the year ended March 31, 2020 and March 31,2019**

₹ in lakhs

| Particulars | As at April 01, 2019 | Credit/(charge) in statement of Proft and Loss | As at March 31, 2020 | Credit/(charge) in statement of Proft and Loss | As at March 31, 2021 |
|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities)** | | | | | |
| Expenses allowable on payment basis and others | (165.49) | (19.78) | (185.27) | (67.92) | (253.19) |
| Amount allowed for development of intangible assets | - | 118.86 | 118.86 | 22.38 | 141.24 |
| On Property, plant & equipment | 269.91 | 0.32 | 270.23 | - | 270.23 |
| Long term capital loss | (6.80) | 6.80 | - | - | - |
| Fair value gains/losses on financial instruments | 74.55 | (53.53) | 21.02 | 14.00 | 35.02 |
| **Total** | **172.16** | **52.67** | **224.84** | **(31.54)** | **193.30** |

## 44 Capital risk management

### (a) Risk management

The Group objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- mmaintain an optimal capital structure to reduce the cost of capital

The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

# Notes to Consolidated financial statements for the year ended March 31, 2021

The Group monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Total equity attributable to equity shareholders of the Parent Company | 11,480.40 | 9,411.64 |
| Net debt (Total borrowings less cash and bank balances) | - | - |
| **Total capital (borrowings and equity)** | **11,480.40** | **9,411.64** |
| **Gearing ratio** | 0.00% | 0.00% |

**(b) Dividends**

(₹ in Lakhs)

| Dividend paid during the year | | 2020-21 | 2019-20 |
|---|---|---|---|
| (i) | **Equity Shares**<br>Final dividend for the year ended March 31, 2020 of ₹ 1 Per share (March 31, 2019 - ₹ 1) [Including dividend distribution tax of Nil, (Previous year ₹ 55.81 Lakhs) paid during the year.] | 275.44 | 331.72 |
| (ii) | **Dividends not recognised at the end of reporting period**<br>Since year end, the directors have recommended the payment of a final dividend of ₹ 1 per equity share (March 31, 2020 - ₹ 1 )<br>The Proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 276.36 | 275.44 |

**45 Employee Share Based payments**

**(a) Employee option plan**

The Group's Employees' Stock Option Scheme - 2007, provides for issue of equity option in each financial year up to 5% (Previous Year 5%) of the outstanding fully paid-up equity capital of the Group as on March 31, 2007 on to eligible employees, and the carry forward of un-allotted options in each of the financial years to the subsequent financial years for grant, in aggregate not exceeding 9,264,970 shares (Previous Year 9,264,970 shares). The Shareholders at their meeting held on September 30, 2014 passed a new ESOP plan 2014. Under new ESOP plan, the shareholders has permitted to grant 1,323,567 equity shares to the employees of the Group and to the employees of wholly owned subsidiary viz. CyberTech Systems and Software Inc., USA. The scheme covers directors and the employees of the subsidiaries, apart from the employees and directors of the Company except directors/ employees belonging to promoter group. The options vest in a phased manner over four years with 25% of the grants vesting at the end of each year from the date of grant and the same can be exercised within seven years from the date of the grant at the market price as on the date of the grant. One option is equal to one equity share.

**Movement during the period:**

The number and weighted average exercise prices (WAEP) of the options granted and movement during the period is as follows:

| | March 31, 2021 | | March 31, 2020 | |
|---|---|---|---|---|
| | Numer of options | WAEP ₹ | Numer of options | WAEP ₹ |
| Opening balance | 1,332,500 | 37.76 | 1,182,500 | 37.76 |
| Add: Granted during the year | - | - | 150,000 | 39.88 |
| Less: Exercised during the year | 83,500 | 27.80 | - | - |
| Less: Forfeited/lapsed during the year | 200,000 | 38.06 | - | - |
| **Closing balance** | **1,049,000** | **38.80** | **1,332,500** | **37.76** |

# Notes to Consolidated financial statements for the year ended March 31, 2021

The following table summarises information about outstanding stock options:

**As at March 31, 2021**

| Range of Exercise price | Number of shares arising out of Options | Weighted average remaining life (in years) | Weighted average exercise price (in ₹) |
|---|---|---|---|
| ₹ 10 - ₹ 15 | - | - | - |
| ₹ 16 - ₹ 45 | 899,000 | 2 | 36.84 |
| ₹ 46 - ₹ 60 | 150,000 | 5 | 50.58 |

**As at March 31, 2020**

| Range of Exercise price | Number of shares arising out of Options | Weighted average remaining life (in years) | Weighted average exercise price (in ₹) |
|---|---|---|---|
| ₹ 10 - ₹ 15 | 53,000 | Less than 1 year | 11.34 |
| ₹ 16 - ₹ 45 | 1,029,500 | 3 | 36.74 |
| ₹ 46 - ₹ 60 | 250,000 | 6 | 48.83 |

**(b) Fair value of options granted**

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The value of the option has been determined by an independent valuer.

The model inputs for options granted during the period ended March 31, 2021 and March 31, 2020 included:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|---|---|
| Dividend Yield | N.A | 2.00% |
| Expected Volatility | N.A | 54% |
| Risk free interest rate | N.A | 5.35% |
| Expected life of share options | N.A | 7 years |

The expected price volatility is based on the historic volatility (based on the remaining life of the option), adjusted for any expected changes to future volatility due to publicly available information.

**(c) Expense arising from share based payment transactions**

Total expenses arising from share based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

**(₹ in Lakhs)**

| Particulars | March 31, 2021 | March 31, 2020 |
|---|---|---|
| Employee stock option | 12.30 | 19.14 |
| **Total employee share-based payment expense** | **12.30** | **19.14** |

**46** In view of recent surge in Covid-19 cases,the Group has considered the possible impact of Covid 19 that may impact the carrying amounts of receivables including unbilled receivables and intangible assets. In making assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the Group has interalia considered subsequent events, internal and external information and evaluated economic conditions up to the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Group does not anticipate any material financial or operational issues in the short term as well as on a long term basis.

**47** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code and recognise the same when the Code becomes effective.

**48** The Group is yet to receive balance confirmations in respect of certain Trade receivables and Trade payables. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**49** The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable for future periods. MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1st April, 2021.

**50** The previous year's figures have been regrouped/re-classified wherever required to conform to current years classification.

**51** The financial statements were approved for issue by the Board of Directors on May 13, 2021.

**For and on behalf of the Board of Directors**

**Sd/-**
**Ramasubramanian Sankaran**
Executive Director
DIN: 05350841

**Sd/-**
**Sudhir Joshi**
Director
DIN: 00349597
Place : California (USA)

**Sd/-**
**Praveen Agarwal**
Chief Financial Officer

**Sd/-**
**Sarita Leelaramani**
Company Secretary
M. No. A35587

Place : Thane
Date : May 13, 2021

# CYBERTECH SYSTEMS AND SOFTWARE INC. (USA)
# (WHOLLY OWNED SUBSIDIARY)
# ANNUAL REPORT 2020-21

# BOARD'S REPORT

**To the Shareholders of**
**CyberTech Systems and Software, Inc. (USA)**

Your Directors have pleasure in presenting this Annual Report on the business and operations of your Company together with the Audited Accounts of the Company for the year ended March 31, 2021.

**COMPANY FINANCIAL RESULTS:**

**(Amt in US Dollars)**

| **Particulars** | **2020-21** | 2020-21 |
|---|---|---|
| Gross Revenue | **14,981,485** | 14,641,033 |
| Profit before Interest & Depreciation | **2,194,106** | 1,328,746 |
| Interest | **14,846** | 2,841 |
| Depreciation | **139,290** | 275,518 |
| Profit/(Loss) before tax | **2,039,970** | 1,049,788 |
| Current Tax | **571,827** | 185,157 |
| Profit after tax | **1,468,143** | 864,631 |
| Profit/(Loss) b/f from previous year | **(632,083)** | (1,496,714) |
| Balance to be carried forward | **836,060** | (632,083) |

**REVIEW OF COMPANY'S OPERATIONS AND PERFORMANCE:**

Operations of the Company are integrated with its parent company viz., CyberTech Systems and Software Limited. The Company operates as its parent company's sales front end, servicing the combined Company's customers in the United States and promoting offshore support and development services. The Company focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities.

During the year under review, your Company, CyberTech Systems and Software, Inc., has made a Profit of US$1,468,143 on the revenue of US$14,981,485. The Company continues to see steady growth from US.

CyberTech's expertise is Enterprise Cloud Transformation. The Company delivers Cloud based SAP® digitalized solutions and Esri ArcGIS Enterprise platforms. CyberTech's Clients realize the benefits of SAP S/4HANA® with digital processes that improve customer experience, gain real-time insights and increased productivity. The Company's spatial analytics deliver digitalization benefits by integrating maps with enterprise data. CyberTech is a trusted partner for several global enterprise Cloud transformations. The Company has strategic relationships with Cisco®, Microsoft®, esri® and SAP®.

SAP® continues to play a key role in the Company's cloud transformation strategy. HANA GeoDB migration offerings continued to gain traction through the partnership with the SAP® Database Migration Factory. Your Company has been awarded several HANA cloud migrations through this channel and the direct sales channel.

Company's Managed ArcGIS Cloud Services offerings continued to grow. The Company booked three deals during the year under review. The Company is also in various stages of discussion with a number of potential clients. CyberTech's unparalleled expertise in geospatial engineering, coupled with the capability and depth in the areas of cloud transformation and cybersecurity is driving the success.

CyberTech Inc. is confident that the growth momentum and the margin resilience observed shall continue moving forward and our focus is to add value to our customers driven by our next-gen products and solutions offerings through subscription sales.

**THE BOARD:**

Currently the Board of Directors of CyberTech Systems and Software, Inc. comprises of Mr. Vish Tadimety, Director and Chairman of the Company; Mr. Steven Jeske, Director; and Mr. Sudhir Joshi, Independent Director of the Company.

**Registered Office**
1301, West 22nd Street,
Suite 308, Oak Brook,
IL 60523, USA.

**For and on behalf of the Board of Directors**

**Sd/-**
**Vish Tadimety**
Chairman

Place : Trevose, PA, USA
Date : May 12, 2021

# INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of CYBERTECH SYSTEMS & SOFTWARE INC. (USA)**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **CYBERTECH SYSTEMS & SOFTWARE INC. (USA)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and its profit (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matter**

We draw your attention to the Note 35 of the financial statements, with regard to Management's assessment of, inter-alia, recoverability/realisability of receivables including unbilled receivables of ₹ 2,071.97 lakhs due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these financial statements, has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions and does not anticipate any material financial or operational issues in the short term as well as on a long-term basis. Our report is not modified in respect of this matter.

**Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

**Other Matters:**

The audit report has been prepared for the purpose of enabling Parent Company's financial reporting requirement under the Act and should not be used for purposes other than that which it is meant for.

**For LODHA & CO.**
**Chartered Accountants**
Firm Registration No: 301051E

**Sd/-**
**R. P. Baradiya**
Partner
Membership No. 44101
UDIN: 20044101AAAADQ3670

Place : Mumbai
Date : May 12, 2021

# Standalone Balance Sheet as at March 31, 2021

| Particulars | Note | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|
| | | US Dollars | ₹ (In Lakhs) | US Dollars | ₹ (In Lakhs) |
| **I. ASSETS** | | | | | |
| **1 Non-current assets** | | | | | |
| Property, plant and equipment | **2** | 11,334 | 8.29 | 12,319 | 9.32 |
| Right of Use (RoU) - Lease | **3** | 192,884 | 141.01 | 241,105 | 182.42 |
| Intangible assets | **4** | 479,273 | 350.37 | - | - |
| Intangible assets under development | **5** | - | - | 561,101 | 424.53 |
| Financial assets | | | | | |
| Security deposit-Lease | **6** | 19,976 | 14.60 | 17,898 | 13.54 |
| **Total non-current assets** | | **703,467** | **514.27** | **832,423** | **629.81** |
| | | | | | |
| **2 Current assets** | | | | | |
| Financial assets | | | | | |
| Investments | **7** | 3,860,535 | 2,822.24 | 1,258,494 | 952.18 |
| Trade receivables | **8** | 2,681,622 | 1,960.40 | 2,507,555 | 1,897.22 |
| Cash and cash equivalents | **9** | 812,721 | 594.14 | 806,893 | 610.50 |
| Other current financial assets | **10** | 645,746 | 472.08 | 661,359 | 500.39 |
| Current Tax Assets (Net) | **11** | 50,577 | 36.97 | 132,183 | 100.01 |
| Other current assets | **12** | 88,886 | 64.98 | 91,605 | 69.31 |
| **Total current assets** | | **8,140,087** | **5,950.81** | **5,458,089** | **4,129.61** |
| | | | | | |
| **Total assets** | | **8,843,554** | **6,465.08** | **6,290,512** | **4,759.42** |

| Particulars | Note | As at March 31, 2021 US Dollars | As at March 31, 2021 ₹(In Lakhs) | As at March 31, 2020 US Dollars | As at March 31, 2020 ₹(In Lakhs) |
|---|---|---|---|---|---|
| **II EQUITY AND LIABILITIES** | | | | | |
| **1 Equity** | | | | | |
| Equity share capital | **13** | 1,515,850 | 1,108.16 | 1,515,850 | 1,146.89 |
| Other equity | **14** | 2,405,210 | 1,758.33 | 937,067 | 708.97 |
| **Total equity** | | **3,921,060** | **2,866.49** | **2,452,917** | **1,855.86** |
| **2 Liabilities** | | | | | |
| **Non-Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| Lease Liabilities | **15** | 162,770 | 118.99 | 206,157 | 155.98 |
| Deferred tax liabilities (Net) | | 123,562 | 90.33 | 121,341 | 91.81 |
| **Total Non current liabilities** | | **286,332** | **209.32** | **327,498** | **247.79** |
| **Current liabilities** | | | | | |
| Financial liabilities | | | | | |
| Borrowings | **16** | 505,100 | 369.25 | - | - |
| Trade payables | **17** | | | | |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - | - | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,647,933 | 2,666.83 | 3,328,599 | 2,518.45 |
| Lease liabilities | **15** | 43,387 | 31.72 | 40,627 | 30.74 |
| Other financial liabilities | **18** | 4,630 | 3.38 | - | - |
| Other current liabilities | **19** | 435,112 | 318.09 | 140,871 | 106.58 |
| **Total current liabilities** | | **4,636,162** | **3,389.27** | **3,510,097** | **2,655.77** |
| **Total equity and liabilities** | | **8,843,554** | **6,465.08** | **6,290,512** | **4,759.42** |
| **Significant Accounting Policies** | **1B** | | | | |

The accompanying notes are an integral part of the standalone financial statements .

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Standalone Statement of Profit and Loss for the year ended March 31, 2021

| | Particulars | Note | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|---|
| | | | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| I | Revenue from operations | **20** | 14,782,048 | 10,953.50 | 14,621,608 | 10,388.51 |
| II | Other income | **21** | 199,437 | 147.78 | 19,425 | 13.79 |
| **III** | **Total Income (I + II)** | | **14,981,485** | **11,101.28** | **14,641,033** | **10,402.30** |
| **IV** | **Expenses** | | | | | |
| | Cost of hardware/software package for service delivery and outsourced project cost | | 8,588,706 | 6,364.23 | 8,270,832 | 5,876.35 |
| | Employee benefits expense | **22** | 3,681,091 | 2,727.69 | 3,297,363 | 2,342.74 |
| | Finance Costs | **23** | 14,846 | 11.00 | 2,841 | 2.02 |
| | Impairment of Intangible assets | **4,5** | - | - | 764,142 | 542.92 |
| | Depreciation and amortisation expense | **24** | 139,290 | 103.21 | 275,518 | 195.75 |
| | Other expenses | **25** | 517,582 | 383.53 | 980,549 | 696.67 |
| | **Total expenses (IV)** | | **12,941,515** | **9,589.66** | **13,591,245** | **9,656.45** |
| **V** | **Profit before tax** | | **2,039,970** | **1,511.62** | **1,049,788** | **745.85** |
| **VI** | **Tax expense** | | | | | |
| | Current tax | **26** | 569,606 | 422.08 | 63,817 | 45.34 |
| | Deferred tax | **26** | 2,221 | 1.65 | 121,340 | 86.21 |
| | | | **571,827** | **423.73** | **185,157** | **131.55** |
| **VII** | **Profit for the year (V - VI)** | | **1,468,143** | **1,087.89** | **864,631** | **614.30** |
| **VIII** | **Other Comprehensive Income** | | | | | |
| | **Items that will not be reclassified to profit or loss - Gain/(Loss)** | | | | | |
| | Remeasurements of net defined benefit plans | | - | - | - | - |
| | Income tax relating to items that will not be reclassified to profit or loss | | - | - | - | - |
| | **Other Comprehensive Income for the year (VIII)** | | **-** | **-** | **-** | **-** |
| **IX** | **Total Comprehensive Income for the year (VII - VIII)** | | **1,468,143** | **1,087.89** | **864,631** | **614.30** |
| **X** | **Earnings per equity share:** | | | | | |
| | Basic & Diluted | **27** | **0.97** | **71.77** | **0.57** | **40.53** |
| | **Significant Accounting Policies** | **1B** | | | | |

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Standalone Statement of Cash Flows for the year ended March 31, 2021

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **A. Cash flow from operating activities** | | | | |
| **Profit before tax** | **2,039,970** | **1,511.62** | **1,049,788** | **745.85** |
| **Adjustments for:** | | | | |
| Depreciation and amortisation expense | 139,290 | 103.21 | 275,518 | 195.75 |
| Interest income | (1,475) | (1.09) | (5,931) | (4.21) |
| Dividend income | (2,041) | (1.51) | (8,494) | (6.03) |
| Finance costs | 14,846 | 11.00 | | |
| Impairment of assets | - | - | 764,142 | 542.92 |
| Sundry credit balances written back | (195,921) | (145.18) | (5,000) | (3.55) |
| Unrealised foreign exchange gain | - | (93.60) | - | 142.80 |
| **Operating profit before working capital changes** | **1,994,668** | **1,384.45** | **2,070,023** | **1,613.53** |
| Adjustments for: | | | | |
| (Increase) in trade receivables | (174,067) | (63.18) | (91,613) | (226.60) |
| (Increase) /Decrease in other receivables | 16,254 | 31.58 | (239,085) | (215.52) |
| Increase/(Decrease) in trade and other payables | 758,653 | 644.75 | (820,780) | (325.54) |
| **Cash generated from operations** | **2,595,509** | **1,997.60** | **918,545** | **845.87** |
| Direct taxes paid (net) | (488,000) | (346.72) | (196,000) | (139.26) |
| **Net cash generated from operating activities (A)** | **2,107,509** | **1,650.88** | **722,545** | **706.61** |
| | | | | |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant & equipment (including capital work-in-progress, intangible assets and intangible assets under development) | (8,256) | (169.03) | (382,639) | (337.37) |
| Investment in Money Market fund | (2,602,041) | (1,870.06) | (1,258,494) | (952.18) |
| Dividend received | 2,041 | 1.51 | 8,494 | 6.03 |
| Interest received | 1,475 | 1.09 | 5,931 | 4.21 |
| **Net cash used in investing activities (B)** | **(2,606,781)** | **(2,036.49)** | **(1,626,708)** | **(1,279.31)** |
| | | | | |
| **C. Cash flow from financing activities** | | | | |
| Borrowings | 505,100 | 369.25 | | |
| **Net cash used in financing activities (C)** | **505,100** | **369.25** | **-** | **-** |
| **Net Increase /(Decrease) in cash & cash equivalents (A + B + C)** | **5,828** | **(16.36)** | **(904,163)** | **(572.70)** |
| Cash & cash equivalents - Opening | 806,893 | 610.50 | 1,711,056 | 1,183.20 |
| **Cash & cash equivalents - Closing** | **812,721** | **594.14** | **806,893** | **610.50** |
| **Significant Accounting Policies** **1B** | | | | |

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Standalone Statement of Changes in Equity for the year ended March 31, 2021

**(A) Equity Share Capital**

| | US Dollars | ₹(In Lakhs) |
|---|---|---|
| **Balance as at April 1, 2019** | **1,515,850** | **1,048.21** |
| Changes in share capital during the year | - | 98.68 |
| **Balance as at March 31, 2020** | **1,515,850** | **1,146.89** |
| Changes in share capital during the year | - | (38.73) |
| **Balance as at March 31, 2021** | **1,515,850** | **1,108.16** |

**(B) Other Equity**

| Particulars | Securities premium | | Retained earnings | | Foreign currency translation reserve | Total | |
|---|---|---|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Balance as at April 1, 2019** | **1,569,150** | **1,085.07** | **(1,496,714)** | **(597.78)** | **(437.20)** | **72,436** | **50.09** |
| Profit for the year | - | - | 864,631 | 614.30 | - | 864,631 | 614.30 |
| Foreign Currency Reinstatement | - | 102.15 | - | - | (57.57) | - | 44.58 |
| **Balance as at March 31, 2020** | **1,569,150** | **1,187.22** | **(632,083)** | **16.52** | **(494.77)** | **937,067** | **708.97** |
| Profit for the year | - | - | 1,468,143 | 1,087.89 | - | 1,468,143 | 1,087.89 |
| Foreign Currency Reinstatement | - | (40.09) | - | - | 1.56 | - | (38.53) |
| **Balance as at March 31, 2021** | **1,569,150** | **1,147.13** | **836,060** | **1,104.41** | **(493.21)** | **2,405,210** | **1,758.33** |

**Significant accounting policies 1B**

The accompanying notes are an integral part of the Standalone financial statements.

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Notes to financial statements for the year ended March 31, 2021

**'NOTE '1'**

**A. CORPORATE INFORMATION**

Cybertech Systems and Software Inc. (the 'Company') was incorporated on June 12, 2003 in the State of Delaware USA. The Company is a wholly owned subsidiary of its Parent Company "CyberTech Systems and Software Limited, India". The Company provides Information Technology and Software Developement Services to customers primarily in USA with focus on next-generation geospatial, networking and enterprise IT solutions. The Company offers services that span across all major industries including government, education, utilities, public safety & homeland security, technology, telecom, retail, healthcare, and manufacturing. The Company is focused on delivering its development and support projects in USA.

The Company is a incorporated and domiciled in USA and has its registered office in Oakbrook, IL, USA..

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of preparation of financial statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Indian Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the following material items that has been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in US Dollar & Indian Rupee (INR).

**2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Critical accounting judgements and key source of estimation uncertainty**

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

**3. Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

# Notes to financial statements for the year ended March 31, 2021

**4. Intangible assets and intangible assets under development**

Intangible assets are stated at cost less accumulated amortisation and impairment.

**5. Depreciation and amortisation:**

**(a) Property plant and equipment (PPE)**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II of the Act.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**(b) Intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

Intangible assets are amortised over their estimated useful life on a straight line basis as follows:

- Type of Asset : Computer software
- Useful life : 4 years

Intangible assets under development comprises of capitalisation of Payroll costs of those employees directly associated with Software Development.

**(c) Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

**6. Financial Instruments:**

**Financial assets - Initial recognition:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**Subsequent measurement:**

Financial assets are subsequently classified as measured at:
- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:
(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

# Notes to financial statements for the year ended March 31, 2021

**(i) Measured at amortised cost:**

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

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss.

For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

# Notes to financial statements for the year ended March 31, 2021

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, 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.

**Financial Liabilities**

**Initial recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortization process.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

**De-recognition**

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 recognized in the statement of profit or loss.

**Derivative financial instruments**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**7. Fair value measurement**

The Company measures financial instruments, such as, derivatives, investments 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:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**8. Cash and cash equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**9. Foreign currency transactions:**

All assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the year. The resulting exchange differences have been accumulated in the Foreign Currency Translation Reserve.

**10. Revenue recognition:**

The Company derives revenues primarily from information technology services comprising of software development, consulting and customer support services, and from the licensing of software products and platforms.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Arrangements with customers for information technology services are either on a fixed-price, fixed-time frame or on a time-and-material basis

Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-time frame 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.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as Income billed in advance).Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements : license, implementation and Annual Maintenance Services (AMS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance

# Notes to financial statements for the year ended March 31, 2021

obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMS revenue is recognized ratably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

**11. Employee benefits:**

**a) Compensation and Short-term employee benefits :**

All employee benefits which are payable within twelve months of rendering the service are classified as short term employee benefits. Compensation are recognized at actual amounts due in the period in which the employee renders the related service. Vacation pay is recognized when taken and only limited amounts may be carried forward from year to year.

Associated short-term benefits include the following:

i) Healthcare Insurance
ii) Disability Insurance
iii) Life Insurance

All Short-term Benefits Cost is shared between the Company and the Employee. The Company portion is recognized at actual amount in the period billed.

**b) Other short-term Benefits:**

- Defined Contribution Plans:

Contributions are made annually to the Companies 401k Plan (Defined Contribution Plan) based on savings contributions made by employees. All Company contributions accrue to the benefit of and are 100% vested to employees when earned, based on their contribution and as defined by the US Safe Harbor contribution limitations. The Company contribution is recognized monthly on an accrual basis in the period that employee contributions are credited.

**c) Long-term post retirement benefits:**

The Company does not sponsor a Defined Benefit or other Post Retirement Benefit Plan.

**12. Taxes on income:**

Provision for tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the relevant Income Tax laws of United States of America.  The deferred tax for timing difference is accounted for, based on the tax rules and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising out from the timing differences are recognized to the extent there is virtual/reasonable certainty that these would be realized in future.

**13. Borrowing cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets 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 recognized as an expense in the period in which they are incurred.".

# Notes to financial statements for the year ended March 31, 2021

**14. Earnings per share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**15. Leases:**

**Where the company is lessee**

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.leases and requires lessees to account for all leases. The adoption of this Standard results in the recognition of Right of Use (ROU) asset and a lease liability and a net adjustment on Statement of Profit and Loss.

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.

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.

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.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 if whether it will exercise an extension or a termination option.

**16. Provisions, contingent liabilities and contingent assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

# Notes to financial statements for the year ended March 31, 2021

## 2 Property, Plant and Equipment

(Amount in US Dollars)

| Particulars | Plant & equipment | Furniture & fixtures | Computers | Total |
|---|---|---|---|---|
| **Balance as at April 1, 2019** | **979** | **11,560** | **62,973** | **75,512** |
| Additions | - | - | 7,192 | 7,192 |
| Adjustments/Disposal | - | - | - | - |
| **Balance as at March 31, 2020** | **979** | **11,560** | **70,165** | **82,704** |
| Additions | - | - | 8,256 | 8,256 |
| Adjustments/Disposal | - | - | - | - |
| **Balance as at March 31, 2021** | **979** | **11,560** | **78,421** | **90,960** |
| | | | | |
| **Accumulated Depreciation** | | | | |
| **Balance as at April 1, 2019** | **979** | **9,952** | **43,633** | **54,564** |
| Additions | - | 1,016 | 14,805 | 15,821 |
| Adjustments/Disposal | - | - | - | - |
| **Balance as at March 31, 2020** | **979** | **10,968** | **58,438** | **70,385** |
| Depreciation charged for the year | - | 592 | 8,649 | 9,241 |
| Adjustments/Disposal | - | - | - | - |
| **Balance as at March 31, 2021** | **979** | **11,560** | **67,087** | **79,626** |
| | | | | |
| **Net Block** | | | | |
| **Balance as at March 31, 2020** | **-** | **592** | **11,727** | **12,319** |
| **Balance as at March 31, 2021** | **-** | **-** | **11,334** | **11,334** |

(₹ in Lakhs)

| Particulars | Plant & equipment | Furniture & fixtures | Computers | Total |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| **Balance as at April 1, 2019** | **0.66** | **7.72** | **42.68** | **51.06** |
| Additions | - | - | 5.44 | 5.44 |
| Adjustments/Disposal | 0.08 | 1.03 | 4.97 | 6.08 |
| **Balance as at March 31, 2020** | **0.74** | **8.75** | **53.09** | **62.58** |
| Additions | - | - | 6.04 | 6.04 |
| Adjustments/Disposal | (0.02) | (0.30) | (1.80) | (2.12) |
| **Balance as at March 31, 2021** | **0.72** | **8.45** | **57.33** | **66.50** |
| | | | | |
| **Accumulated Depreciation** | | | | |
| **Balance as at April 1, 2019** | **0.66** | **6.61** | **29.31** | **36.58** |
| Depreciation charged for the year | - | 0.72 | 10.52 | 11.24 |
| Adjustments/Disposal | 0.08 | 0.97 | 4.39 | 5.44 |
| **Balance as at March 31, 2020** | **0.74** | **8.30** | **44.22** | **53.26** |
| Depreciation charged for the year | - | 0.44 | 6.41 | 6.85 |
| Adjustments/Disposal | (0.02) | (0.29) | (1.59) | (1.90) |
| **Balance as at March 31, 2021** | **0.72** | **8.45** | **49.04** | **58.21** |
| | | | | |
| **Net Block** | | | | |
| **Balance as at March 31, 2020** | **-** | **0.45** | **8.87** | **9.32** |
| **Balance as at March 31, 2021** | **-** | **-** | **8.29** | **8.29** |

## 3 Right of Use (RoU) - Building Lease

| | US Dollars | ₹ (in Lakhs) |
|---|---|---|
| **Gross carrying amount** | | |
| **Balance as at April 1, 2019** | **-** | **-** |
| Additions | 253,160 | 191.54 |
| Adjustments/Disposal | - | - |
| **Balance as at March 31, 2020** | **253,160** | **191.54** |
| Additions | - | - |
| Adjustments/Disposal | - | (6.47) |
| **Balance as at March 31, 2021** | **253,160** | **185.07** |

## Notes to financial statements for the year ended March 31, 2021

| | | |
|---|---|---|
| **Accumulated amortisation** | | |
| **Balance as at April 1, 2019** | **-** | **-** |
| Amortisation for the year | 12,055 | 8.56 |
| Adjustments/Disposal | - | 0.56 |
| **Balance as at March 31, 2020** | **12,055** | **9.12** |
| Amortisation for the year | 48,221 | 35.73 |
| Adjustments/Disposal | - | (0.79) |
| **Accumulated amortisation as at March 31, 2021** | **60,276** | **44.06** |
| | | |
| **Net Block** | | |
| **Balance as at March 31, 2020** | **241,105** | **182.42** |
| **Balance as at March 31, 2021** | **192,884** | **141.01** |

**4 Intangible Assets**

| | Software | |
|---|---|---|
| | **US Dollars** | **₹ (in Lakhs)** |
| **Gross carrying amount** | | |
| **Balance as at April 1, 2019** | **990,566** | **684.98** |
| Additions | - | - |
| Adjustments/Disposal | - | 64.48 |
| **Balance as at March 31, 2020** | **990,566** | **749.46** |
| Additions | 561,101 | 410.19 |
| Adjustments/Disposal | - | (25.31) |
| **Balance as at March 31, 2021** | **1,551,667** | **1,134.34** |
| | | |
| **Accumulated amortisation** | | |
| **Balance as at April 1, 2019** | **381,782** | **264.00** |
| Additions | 247,642 | 175.95 |
| Impairment during the year | 361,142 | 256.59 |
| Adjustments/Disposal | - | 52.92 |
| **Balance as at March 31, 2020** | **990,566** | **749.46** |
| Amortisation for the year | 81,828 | 60.63 |
| Impairment during the year | - | - |
| Adjustments/Disposal | - | (26.12) |
| **Accumulated amortisation as at March 31, 2021** | **1,072,394** | **783.97** |
| | | |
| **Net Block** | | |
| **Balance as at March 31, 2020** | **-** | **-** |
| **Balance as at March 31, 2021** | **479,273** | **350.37** |

**5 Intangible assets under development**

| | **US Dollars** | **₹ (in Lakhs)** |
|---|---|---|
| **Software** | | |
| **Balance as at April 1, 2019** | **841,814** | **582.11** |
| Additions during the year | 122,287 | 92.52 |
| Impairment during the year | (403,000) | (286.33) |
| Adjustments/Disposal | - | 36.23 |
| **Balance as at March 31, 2020** | **561,101** | **424.53** |
| Additions during the year | - | - |
| Capitalised during the year | 561,101 | 410.19 |
| Adjustments/Disposal | - | 14.34 |
| **Balance as at March 31, 2021** | **-** | **-** |

# Notes to financial statements for the year ended March 31, 2021

| 6 Other non-current financial assets | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Unsecured, considered good** | | | | |
| Security Deposits | 19,976 | 14.60 | 17,898 | 13.54 |
| **Total** | **19,976** | **14.60** | **17,898** | **13.54** |

| 7 Investments-Current | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Investment in Vanguard Federal Money Market Fund 3,860,534.66 units of USD 1.00 ( previous year 1,258,493.56 units of USD 1.00) | 3,860,535 | 2,822.24 | 1,258,494 | 952.18 |
| **Total** | **3,860,535** | **2,822.24** | **1,258,494** | **952.18** |
| **Note:** | | | | |
| Aggregate amount of quoted investments and market value thereof | - | - | - | - |
| Aggregate amount of unquoted investments and fair value therof at Net Asset Value | **3,860,535** | **2,822.24** | **1,258,494** | **952.18** |
| Aggregate amount of impairment in value of investments | - | - | - | - |

| 8 Trade receivables | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Unsecured, considered good** | | | | |
| Trade receivables | 2,681,622 | 1,960.40 | 2,507,555 | 1,897.22 |
| **Total** | **2,681,622** | **1,960.40** | **2,507,555** | **1,897.22** |
| Less: Provision for doubtful debts | - | - | - | - |
| **Total** | **2,681,622** | **1,960.40** | **2,507,555** | **1,897.22** |

| 9 Cash and cash equivalents | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Balances with Banks** | | | | |
| In current accounts | 812,721 | 594.14 | 806,893 | 610.50 |
| | **812,721** | **594.14** | **806,893** | **610.50** |

| 10 Other financial assets | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Unsecured, considered good** | | | | |
| Unbilled revenue | 152,610 | 111.57 | 272,559 | 206.22 |
| Security deposits | 1,122 | 0.82 | 3,200 | 2.42 |
| Receivable from related party | 492,014 | 359.69 | 385,600 | 291.75 |
| | **645,746** | **472.08** | **661,359** | **500.39** |

| 11 Current Tax Assets (Net) | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Advance Tax (Net of Provisions USD 566,026 (Previous Year USD 63,817)) | 50,577 | 36.97 | 132,183 | 100.01 |
| | **50,577** | **36.97** | **132,183** | **100.01** |

# Notes to financial statements for the year ended March 31, 2021

| 12 Other current assets | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Unsecured, considered good** | | | | |
| Advances for supply of goods and rendering of services | - | - | 3,220 | 2.44 |
| Prepaid expenses | 74,705 | 54.61 | 82,730 | 62.59 |
| Advances to employees | 14,181 | 10.37 | 5,655 | 4.28 |
| **Total** | **88,886** | **64.98** | **91,605** | **69.31** |

| 13 Equity Share Capital | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Authorised** | | | | |
| 10,000,000 (As at March 31, 2020- 10,000,000) Common Stock of USD 0.01 each | 100,000 | 73.11 | 100,000 | 75.66 |
| 20,000,000 (As at March 31, 2020- 20,000,000) Common Stock of USD 1.00 each | 2,000,000 | 1,462.10 | 2,000,000 | 1,513.20 |
| | **2,100,000** | **1,535.21** | **2,100,000** | **1,588.86** |
| **Issued, Subscribed and paid-up** | | | | |
| 1,585,000 (As at March, 2020- 1,585,000) Common Stock of USD 0.01 each | 15,850 | 11.59 | 15,850 | 11.99 |
| 1,500,000 (As at March, 2020- 1,500,000) Common Stock of USD 1.00 each | 1,500,000 | 1,096.57 | 1,500,000 | 1,134.90 |
| | **1,515,850** | **1,108.16** | **1,515,850** | **1,146.89** |

**(a) Reconciliation of Share Capital**

**₹(In Lakhs)**

| | Face Value of USD 0.01 each | | Face Value of USD 1.00 each | |
|---|---|---|---|---|
| **As at March 31, 2021** | **Opening** | **Closing** | **Opening** | **Closing** |
| No. of shares | 1,585,000 | 1,585,000 | 1,500,000 | 1,500,000 |
| Amount in USD | 15,850 | 15,850 | 1,500,000 | 1,500,000 |
| Amount in Rupees* | 11.99 | 11.59 | 1,134.90 | 1,096.57 |

*change is on account of reinstatement

**₹(In Lakhs)**

| | Face Value of USD 0.01 each | | Face Value of USD 1.00 each | |
|---|---|---|---|---|
| **As at March 31, 2020** | **Opening** | **Closing** | **Opening** | **Closing** |
| No. of shares | 1,585,000 | 1,585,000 | 1,500,000 | 1,500,000 |
| Amount in USD | 15,850 | 15,850 | 1,500,000 | 1,500,000 |
| Amount in Rupees* | 10.96 | 11.99 | 1,037.25 | 1,134.90 |

*change is on account of reinstatement

**(b) Terms/rights attached to equity shares**

The Company has two classes of common stock having par value of USD 0.01 per share and USD 1 per share. Both the class of shares have equal rights.

Each shareholder has right to vote in respect of such share on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid up equity capital of the Company. In the event of liquidation the equity shareholders are entitled to receive the remaining assets of the Company after payments to secured and unsecured creditors, in proportion to their shareholding.

# Notes to financial statements for the year ended March 31, 2021

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

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **Nos.** | **%** | **Nos.** | **%** |
| **CyberTech Systems and Software Limited (Holding Company)** | | | | |
| Face Value of USD 0.01 each | 1,585,000 | 100% | 1,585,000 | 100% |
| Face Value of USD 1.00 each | 1,500,000 | 100% | 1,500,000 | 100% |

**d) During the previous five years, the Company has not issued Bonus shares/ bought back shares/issued shares for consideration other than cash Equity**

**14 Other equity**

| Particulars | Securities Premium | | Retained Earnings | | Foreign Currency Translation Reserve | Total | |
|---|---|---|---|---|---|---|---|
| | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| **Balance as at March 31, 2020** | **1,569,150** | **1,187.22** | **(632,083)** | **16.52** | **(494.77)** | **937,067** | **708.97** |
| Profit for the year | - | - | 1,468,143 | 1,087.89 | - | 1,468,143 | 1,087.89 |
| Foreign Currency Reinstatement | - | (40.09) | - | - | 1.56 | - | (38.53) |
| **Balance as at March 31, 2021** | **1,569,150** | **1,147.13** | **836,060** | **1,104.41** | **(493.21)** | **2,405,210** | **1,758.33** |

| **15 Lease liabilities** | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| Current | 43,387 | 31.72 | 40,627 | 30.74 |
| Non Current | 162,770 | 118.99 | 206,157 | 155.98 |
| **Total** | **206,157** | **150.71** | **246,784** | **186.72** |

| **16 Borrowings** | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **Unsecured** | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| PPP Loan from Citibank (Refer note) | 505,100 | 369.25 | - | - |
| **Total** | **505,100** | **369.25** | **-** | **-** |

**Note**

During the year, the Company has received a loan of USD 505,100/- (₹ 369.25 lakhs) under Payroll Protection Plan of Small Business Administration (USA) from CITI bank bearing interest @ 1% p.a.. The Company is in the process of filing the forgiveness application as per the scheme and will recognize the revenue, if any, post approval of the application. The total amount is repayable to the bank in case of non approval of the application.

| **17 Trade payables** | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| **Trade payables** | | | | |
| -Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,647,933 | 2,666.83 | 3,328,599 | 2,518.45 |
| **Total** | **3,647,933** | **2,666.83** | **3,328,599** | **2,518.45** |

| **18 Other financial liabilities** | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| Interest accrued but not due on Borrowings | 4,630 | 3.38 | - | - |
| **Total** | **4,630** | **3.38** | **-** | **-** |

# Notes to financial statements for the year ended March 31, 2021

| 19 Other current liabilities | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Income billed in advance | 435,112 | 318.09 | 140,511 | 106.31 |
| Payable to Employees | - | - | 360 | 0.27 |
| **Total** | **435,112** | **318.09** | **140,871** | **106.58** |

| 20 Revenue from operations | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Sale of services** | | | | |
| Information technology services | 14,782,048 | 10,953.50 | 14,621,608 | 10,388.51 |
| **Total** | **14,782,048** | **10,953.50** | **14,621,608** | **10,388.51** |

| 21 Other income | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Interest on deposit with banks | 1,475 | 1.09 | 5,931 | 4.21 |
| Dividend on Investment in money market funds | 2,041 | 1.51 | 8,494 | 6.03 |
| Sundry Credit balances written back (net) | 195,921 | 145.18 | 5,000 | 3.55 |
| **Total** | **199,437** | **147.78** | **19,425** | **13.79** |

| 22 Employee benefits expense | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Salaries and wages | 3,460,228 | 2,564.03 | 3,004,166 | 2,134.43 |
| Contribution to other funds | 79,349 | 58.80 | 89,012 | 63.24 |
| Staff welfare expenses | 141,514 | 104.86 | 204,185 | 145.07 |
| **Total** | **3,681,091** | **2,727.69** | **3,297,363** | **2,342.74** |

| 23 Finance Costs | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Interest on lease liability | 10,216 | 7.57 | 2,841 | 2.02 |
| Interest on Borrowings | 4,630 | 3.43 | - | - |
| **Total** | **14,846** | **11.00** | **2,841** | **2.02** |

| 24 Depreciation and amortisation expense | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Depreciation on property, plant and equipment | 9,241 | 6.85 | 15,821 | 11.24 |
| Amortisation on Right of use (RoU) | 48,221 | 35.73 | 12,055 | 8.56 |
| Amortisation on intangible assets | 81,828 | 60.63 | 247,642 | 175.95 |
| **Total** | **139,290** | **103.21** | **275,518** | **195.75** |

# Notes to financial statements for the year ended March 31, 2021

| 25 Other expenses | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Rent | 34,190 | 25.33 | 78,288 | 55.62 |
| Repairs & maintenance | | | | |
| Others | 5,573 | 4.13 | 11,520 | 8.18 |
| Insurance | 47,729 | 35.37 | 51,249 | 36.41 |
| Rates and taxes | 21,969 | 16.28 | 18,561 | 13.19 |
| Travelling and conveyance | 10,993 | 8.15 | 261,160 | 185.55 |
| Communication | 54,220 | 40.18 | 46,076 | 32.74 |
| Electricity expenses | 7,581 | 5.62 | 4,962 | 3.53 |
| Professional fees | 167,831 | 124.36 | 304,147 | 216.09 |
| Auditors' remuneration | 17,000 | 12.60 | 17,000 | 12.08 |
| Miscellaneous expenses | 150,496 | 111.51 | 187,586 | 133.28 |
| **Total** | **517,582** | **383.53** | **980,549** | **696.67** |

**26 Income Taxes**

**a) Tax expense recognised in the Statement of Profit and Loss:**

| | For the year ended March 31, 2021 US Dollars | For the year ended March 31, 2021 (₹ In Lakhs) | For the year ended March 31, 2020 US Dollars | For the year ended March 31, 2020 (₹ In Lakhs) |
|---|---|---|---|---|
| **Current tax** | | | | |
| Current year | 569,606 | 422.08 | 63,817 | 45.34 |
| **Total current tax** | **569,606** | **422.08** | **63,817** | **45.34** |
| Deferred tax | 2,221 | 1.65 | 121,340 | 86.21 |
| **Total deferred income tax expense/(credit)** | **2,221** | **1.65** | **121,340** | **86.21** |
| **Total income tax expense/(credit)** | **571,827** | **423.73** | **185,157** | **131.55** |

**b) A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :**

| | For the year ended March 31, 2021 US Dollars | For the year ended March 31, 2021 (₹ In Lakhs) | For the year ended March 31, 2020 US Dollars | For the year ended March 31, 2020 (₹ In Lakhs) |
|---|---|---|---|---|
| **Profit before taxation** | **2,039,970** | **1,511.62** | **1,049,788** | **745.86** |
| Tax at enacted rate | 28% | 28% | 28% | 28% |
| Tax amount at enacted rate | 571,192 | 423.25 | 293,941 | 208.84 |
| **Differences due to:** | | | | |
| Expenses allowable on payment basis | 635 | 0.48 | 256,316 | 182.11 |
| Amount allowed for development of intangible assets | - | - | 122,868 | 87.30 |
| Carry forward of losses | - | - | (487,968) | (346.70) |
| **Effective tax amount** | **571,827** | **423.73** | **185,157** | **131.55** |

**Movement during the year ended March 31, 2021 and March 31,2020**

**Amount in US Dollars**

| Particulars | As at April 01, 2019 | Credit/(charge) in statement of Profit and Loss | As at March 31, 2020 | Credit/(charge) in statement of Profit and Loss | As at March 31, 2021 |
|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities)** | | | | | |
| Expenses allowable on payment for tax purposes | - | (35,768) | (35,768) | 25,133 | (10,635) |

# Notes to financial statements for the year ended March 31, 2021

| | | | | | |
|---|---|---|---|---|---|
| Amount allowed for development of intangible assets | - | 157,108 | 157,108 | (22,912) | 134,196 |
| | **-** | **121,340** | **121,340** | **2,222** | **123,562** |

₹ in lakhs

| Particulars | As at April 01, 2019 | Credit/(charge) in statement of Profit and Loss | As at March 31, 2020 | Credit/(charge) in statement of Profit and Loss | As at March 31, 2021 |
|---|---|---|---|---|---|
| **Deferred tax assets/(liabilities)** | | | | | |
| Expenses allowable on payment for tax purposes | - | (25.41) | (25.41) | 18.62 | (6.79) |
| Amount allowed for development of intangible assets | - | 111.62 | 111.62 | (16.98) | 94.64 |
| Adjustment for exchange fluctations | - | 5.60 | 5.60 | (3.13) | 2.47 |
| **Total** | **-** | **91.81** | **91.81** | **(1.48)** | **90.33** |

**27**

| Earnings per share (EPS) | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| Profit after tax(PAT) available for Equity Shareholders | **US Dollars** | **₹ In Lakhs** | **US Dollars** | **₹ In Lakhs** |
| | 1,468,143 | 1,087.89 | 864,631 | 614.30 |
| Weighted Average Number of Equity Shares outstanding for computing Basic EPS | 1,515,850 | 1,515,850 | 1,515,850 | 1,515,850 |
| | **US Dollars** | **Amount in ₹** | **US Dollars** | **Amount in ₹** |
| Nominal value of Equity Shares | 1.00 | 73.11 | 1.00 | 75.66 |
| **Basic and Diluted Earnings Per Share** | **0.97** | **71.77** | **0.57** | **40.53** |

**28 Contingent liabilities and commitments**

**Contingent liabilities**

There are no legal cases by and against the Company as on March 31,2021, (March 31, 2020- Nil).

| Commitments | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) | - | - | - | - |

**29 Rates used for conversion**

(Amount in ₹)

| Particulars | Unit of Currency | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|
| Balance Sheet | USD | 73.11 | 75.66 |
| Statement of Profit and Loss | USD | 74.10 | 71.05 |

**30 Disclosure on related party transactions**

**A) Names of related parties and description of relationship:**

**a) Holding Company**

CyberTech Systems and Software Limited

**b) Fellow subsidiary**

Spatialitics LLC-USA

# Notes to financial statements for the year ended March 31, 2021

**c) Key Management Personnel (KMP)**

Mr. Vish Tadimety

Mr. Steven Jeske

**B) Related party transactions with Group Companies/Joint Venture/KMP's/ Relative of KMP's/Enterprises where KMP and Relatives of KMP have significant influence during the year:**

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Purchase of Services** | | | | |
| CyberTech Systems and Software Limited | 8,100,000 | 6,002.10 | 7,504,156 | 5,331.63 |
| | | | | |
| **Sale of Services** | | | | |
| Spatialitics LLC-USA | 2,723 | 2.02 | - | - |
| | | | | |
| **Expenses/Reimbursement of Expenses** | | | | |
| CyberTech Systems and Software Limited | 7,555 | 5.60 | 93,843 | 66.67 |
| Spatialitics LLC-USA | 103,691 | 76.84 | 57,872 | 41.12 |
| | | | | |
| **Remuneration paid to** | | | | |
| Mr. Vish Tadimety | 384,000 | 284.54 | 334,500 | 237.66 |
| Mr. Steven Jeske | 288,000 | 213.41 | 259,000 | 184.02 |

**C) Outstanding Balances**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **Trade payables** | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| CyberTech Systems and Software Limited | 3,148,459 | 2,301.68 | 2,638,219 | 1,996.08 |
| Mr. Vish Tadimety | 16,000 | 11.70 | 16,000 | 12.11 |
| Mr. Steven Jeske | 12,000 | 8.77 | 12,000 | 9.08 |
| | | | | |
| **Other receivables** | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| Spatialitics LLC-USA | 492,014 | 359.69 | 385,600 | 291.74 |

**Notes:**

(i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.

(iii) Related party relationships have been identified by the management and relied upon by the Auditors.

**31 Leases**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for buildings . These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases",for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. Right to Use if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

The Company has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

The Company excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.

## Notes to financial statements for the year ended March 31, 2021

The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 8.5%.

On transition to the Ind AS–116 , Impact thereof is as follows:

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Right to Use Assets | 192,884 | 141.01 | 241,105 | 182.42 |
| Lease liabilities | 206,157 | 150.71 | 246,784 | 186.72 |

Following are the changes in the carrying value of right of use assets for the year:

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| **Opening Balance** | **241,105** | **182.42** | **-** | **-** |
| Additions | - | - | 253,160 | 191.54 |
| Disposal /Adjustments | - | 5.68 | - | 0.56 |
| Amortisation expenses (Refer Note 3) | 48,221 | 35.73 | 12,055 | 8.56 |
| **Closing Balance** | **192,884** | **141.01** | **241,105** | **182.42** |

Following is the movement in lease liabilities during the year :

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| **Opening Balance** | **246,784** | **186.72** | **-** | **-** |
| Additions | | | 253,160 | 191.57 |
| Interest accrued during the year | 10,217 | 7.60 | 2,841 | 2.05 |
| Deletions/Adjustments | - | (5.93) | - | (0.35) |
| Payment of lease liabilities | (50,844) | (37.68) | (9,217) | (6.55) |
| **Closing Balance** | **206,157** | **150.71** | **246,784** | **186.72** |
| Current lease liabilities | 43,387 | 31.72 | 40,627 | 30.74 |
| Non- current lease liabilities | 162,770 | 118.99 | 206,157 | 155.98 |

Break-up of the contractual maturities of lease liabilities on an undiscounted basis:

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Less than one year | 43,387 | 31.72 | 40,627 | 30.74 |
| One to five years | 162,770 | 118.99 | 206,157 | 155.98 |
| More than 5 years | - | | - | - |

Short-term leases expenses incurred for the year

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Rental expense | 34,190 | 25.33 | 78,288 | 55.62 |

# Notes to financial statements for the year ended March 31, 2021

**32 Financial Risk Management**

**Financial risk management objectives and policies:**

The Company's business activities exposed it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's Management has the overall responsibility for establishing and governing the Company's risk management framework.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Market Risk - Interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |
| Market Risk - Foreign exchange | Financial assets and liabilities | Cash flow forecasting Sensitivity analysis | "Hedging, Forex planning" |
| Credit risk | Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost. | Ageing analysis/ Credit ratings | Diversification in various class of assets, credit limits |
| Liquidity risk | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of committed credit lines and borrowing facilities; working capital management. |

**(A) Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is having short term borrowings from banks.

**(i) Exposure to interest rate risk - Financial liabilities**

(₹ in Lakhs)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|
| Borrowings bearing variable rate of interest - Cash credits - short term in nature | - | - |

Refer note no. 16 for details of short term loan

**(B) Market Risk- Foreign currency risk.**

The company does not have any foreign currency exposure.

**Derivative Contracts and unhedged foreign currency exposure**

**Derivative contracts outstanding as at March 31, 2021**

(₹ in Lakhs)

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | Amount | US Dollars | Amount |
| Forward Contract to sell USD | - | - | - | - |

# Notes to financial statements for the year ended March 31, 2021

**Unhedged foreign currency exposure as at March 31, 2021**

(₹ in Lakhs)

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | Amount | US Dollars | Amount |
| Trade receivables | - | - | - | - |

**A change of 1% in Foreign currency would have following Impact on profit before tax**

(₹ in Lakhs)

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | **1% Increase** | **1% decrease** | **1% Increase** | **1% decrease** |
| | **US Dollars** | **(₹ in Lakhs)** | **In Foreign Currency** | **(₹ in Lakhs)** |
| Increase / (decrease) in profit or loss | - | - | - | - |

**(C) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including deposits with banks and financial institutions and debentures and bonds, foreign exchange transactions and financial instruments.

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Credit risk from investments is managed by the Company's treasury in accordance with the board approved policy and limits.

To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

**Ageing of Account receivables**

| **Particulars** | **As at March 31, 2021** | **As at March 31, 2021** | **As at March 31, 2020** | **As at March 31, 2020** |
|---|---|---|---|---|
| | **US Dollars** | **(₹ In Lakhs)** | **US Dollars** | **(₹ In Lakhs)** |
| 0-3 months | 2,681,622 | 1,960.40 | 2,415,022 | 1,827.21 |
| 3-6 months | - | - | 92,533 | 70.01 |
| 6 months to 12 months | - | - | - | - |
| beyond 12 months | - | - | - | - |
| **Total** | **2,681,622** | **1,960.40** | **2,507,555** | **1,897.22** |

# Notes to financial statements for the year ended March 31, 2021

**Movement in provisons of doubtful debts**

| Particulars | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2020 |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| **Opening provision** | - | - | - | - |
| Add:- Additional provision made | - | - | - | - |
| Less:- Provision write off/ reversed | - | - | - | - |
| Less:- Provision utilised against bad debts | - | - | - | - |
| **Closing provisions** | **-** | **-** | **-** | **-** |

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there are 2 and 3 customers contributing more than 10% of outstanding trade receivables and unbilled revenues amounting to $ 18,88,716 and $146,100 respectively.

**(D) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations.

**Financing arrangements**

The Company had access to following unutilised Borrowing facilities at end of reporting period:

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Variable Borrowing -Expires within 1 year | - | - | - | - |

**Maturity patterns of borrowings**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| 0-1 years | - | - | - | - |
| more than 1 year | - | - | - | - |
| Total | - | - | - | - |

Refer note no. 16 for details of short term loan

**<u>Maturity patterns of other financial liabilities</u>**

**Trade payables**

| Particulars | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| 0-1 year | 3,647,933 | 2,666.83 | 3,328,599 | 2,518.45 |
| more than 1 year | - | - | - | - |
| Total | 3,647,933 | 2,666.83 | 3,328,599 | 2,518.45 |

# Notes to financial statements for the year ended March 31, 2021

**33 Financial instruments**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions are used to estimate the fair values:**

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

## a. Financial assets

**(Amount in US Dollars)**

| | Instruments carried at fair value | | | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|---|---|
| | FVOCI (Equity instruments) | FVOCI (Other instruments) | FVTPL | Total fair value (A) | Carrying amount (B) | Fair value | Total carrying amount (A+B) |
| **As at March 31, 2020** | | | | | | | |
| Investments | - | - | 1,258,494 | 1,258,494 | - | - | 1,258,494 |
| Trade receivables | - | - | - | - | 2,507,555 | 2,507,555 | 2,507,555 |
| Cash and cash equivalents | - | - | - | - | 806,893 | 806,893 | 806,893 |
| Other financial assets | - | - | - | - | 661,359 | 661,359 | 661,359 |
| **Total** | **-** | **-** | **1,258,494** | **1,258,494** | **3,975,807** | **3,975,807** | **5,234,301** |
| **As at March 31, 2021** | | | | | | | |
| Investments | - | - | 3,860,535 | 3,860,535 | - | - | 3,860,535 |
| Trade receivables | - | - | | - | 2,681,622 | 2,681,622 | 2,681,622 |
| Cash and cash equivalents | - | - | - | - | 812,721 | 812,721 | 812,721 |
| Other financial assets | - | - | - | - | 645,746 | 645,746 | 645,746 |
| **Total** | **-** | **-** | **3,860,535** | **3,860,535** | **4,140,089** | **4,140,089** | **8,000,624** |

**(₹ in Lakhs)**

| | Instruments carried at fair value | | | Instruments carried at amortized cost | | | |
|---|---|---|---|---|---|---|---|
| | FVTPL | | Total carrying amount and fair value (A) | Carrying amount (B) | Fair value | | Total carrying amount (A+B) |
| **As at March 31, 2020** | | | | | | | |
| Investments | - | - | 952.18 | 952.18 | - | - | 952.18 |
| Trade receivables | - | - | - | - | 1,897.22 | 1,897.22 | 1,897.22 |
| Cash and cash equivalents | - | - | - | - | 610.50 | 610.50 | 610.50 |
| Other financial assets | - | - | - | - | 500.39 | 500.39 | 500.39 |
| **Total** | **-** | **-** | **952.18** | **952.18** | **3,008.11** | **3,008.11** | **3,960.29** |

# Notes to financial statements for the year ended March 31, 2021

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **As at March 31, 2021** | | | | | | | |
| Investments | - | - | 2,822.24 | 2,822.24 | - | - | 2,822.24 |
| Trade receivables | - | - | | - | 1,960.40 | 1,960.40 | 1,960.40 |
| Cash and cash equivalents | - | - | - | - | 594.14 | 594.14 | 594.14 |
| Other financial assets | - | - | - | - | 472.08 | 472.08 | 472.08 |
| **Total** | **-** | **-** | **2,822.24** | **2,822.24** | **3,026.62** | **3,026.62** | **5,848.86** |

**b. Financial liabilities**

**(Amount in US Dollars)**

| | **Instruments carried at fair value** | | **Instruments carried at amortized cost** | | |
|---|---|---|---|---|---|
| | **FVTPL** | **Total carrying amount and fair value (A)** | **Carrying amount (B)** | **Fair value** | **Total carrying amount (A+B)** |
| **As at March 31, 2020** | | | | | |
| Borrowings | - | - | - | - | - |
| Other current liabilities | - | - | 140,871 | 140,871 | 140,871 |
| **Total** | **-** | **-** | **140,871** | **140,871** | **140,871** |
| | | | | | |
| **As at March 31, 2021** | | | | | |
| Borrowings | - | - | 505,100 | 505,100 | 505,100 |
| Other current liabilities | - | - | 435,112 | 435,112 | 435,112 |
| **Total** | **-** | **-** | **940,212** | **940,212** | **940,212** |

**(₹ in Lakhs)**

| | **Instruments carried at fair value** | | **Instruments carried at amortized cost** | | |
|---|---|---|---|---|---|
| | **FVTPL** | **Total carrying amount and fair value (A)** | **Carrying amount (B)** | **Fair value** | **Total carrying amount (A+B)** |
| **As at March 31, 2020** | | | | | |
| Other current liabilities | - | - | 106.58 | 106.58 | 106.58 |
| **Total** | **-** | **-** | **106.58** | **106.58** | **106.58** |
| | | | | | |
| **As at March 31, 2021** | | | | | |
| Borrowings | - | - | 369.25 | 369.25 | 369.25 |
| Other current liabilities | - | - | 318.09 | 318.09 | 318.09 |
| **Total** | **-** | **-** | **687.34** | **687.34** | **687.34** |

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

**c. Fair value estimation**

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

**34 Capital risk management**

**(a) Risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

The Company does not have any borrowings as on March 31, 2021. Hence Capital Gearing Ratio is not applicable

Refer note no. 16 for details of short term loan

**35** In view of recent surge in Covid-19 cases, the Company has considered the possible impact of Covid 19 that may impact the carrying amounts of receivables including unbilled receivables and intangible assets. In making assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the Company has interalia considered subsequent events, internal and external information and evaluated economic conditions up to the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company does not anticipate any material financial or operational issues in the short term as well as on a long term basis.

**36** The Company is yet to receive balance confirmations in respect of financials assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**37** The Company has only single reportable business segment i.e. ' Information technology and Software Development Services' in terms of requirements of IND AS 108.

**38** The previous year's figures have been regrouped/re-classified wherever required to conform to current years classification.

**39** The financial statements were approved for issue by the Board of Directors on May 12, 2021.

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# SPATIALITICS LLC (USA)
# (WHOLLY OWNED SUBSIDIARY)
# ANNUAL REPORT 2020-21

# BOARD'S REPORT

**To the Members of**
**Spatialitics LLC, USA**

Your Directors have pleasure in presenting this Annual Report on the business and operations of your Company together with the Audited Accounts of the Company for the year ended March 31, 2021.

**COMPANY FINANCIAL RESULTS:**

**(Amt in US Dollars)**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| Gross Revenue | **143,161** | 70,453 |
| Loss before Depreciation | **(335,649)** | (485,908) |
| Depreciation | **1,380** | 419 |
| Loss for the year | **(337,029)** | (486,327) |
| Loss b/f from previous year | **(486,327)** | (254,379) |
| Balance to be carried forward | **(1,077,735)** | (740,706) |

**REVIEW OF COMPANY'S OPERATIONS AND PERFORMANCE:**

Operations of the Spatialitics LLC ("Spatialitics") are integrated with its parent company viz., CyberTech Systems and Software Limited. The Company operates as its parent company's sales front end, servicing the combined Company's customers in the United States and promoting offshore support and development services. The Company focuses on customer facing and business development activities including pre-sales, marketing, sales and onsite project/program management activities.

Spatialitics®, which was formed to focus on our spatial analytics based fabric and product portfolio, is growing in line with our strategy and is cloud native. The newer version of Spatialitics GeoShield product is capable of integrating multiple disparate data sources, including video camera streams coming from different camera sources, on a real time basis. We are witnessing strong demand from our existing as well as new customers for GeoShield products. Spatialitics Utilities and Spatialitics Health product suites are also seeing increased demand. We are in discussion with various US water utilities about implementing Spatialitics Utilities product suite.

Spatialitics Public Safety Industry Advisory Board has been expanded. Chief Eric Young of Ogden Police Department and Lieutenant Corey Solferino of Washoe County Sheriff's Office have joined as Public Safety Industry Advisory Board members. Chief Young is a decorated police officer and an active promoter of the use of technology at the Ogden Police Department. Lieutenant Corey Solferino is a recognized leader with a 20 + year criminal justice and law enforcement career. We are privileged to have both of them as industry advisors.

During the year under review Mr Eric Young, Chief of Police at Ogden Police Department joins Spatialitics Public Safety Industry Advisory Board.

Your Company will continue to invest in top-level talent hiring and building a strong sales model to grow its business in the area of spatial analytics platforms. The Company is directionally moving from an "IT Services only firm" into a 'Geospatial Platform and Solutions Provider" space with increased focus on spatial analytics platforms.

**THE BOARD:**

Currently the Board of Directors of Spatialitics LLC comprises of Mr. Vish Tadimety, Director and Chairman of the Company; Mr. Steven Jeske, Director; Mr. Joseph M. Vanek, Director and Mr. Sudhir Joshi, Independent Director of the Company.

**Registered Office**
1301, West 22nd Street,
Suite 308, Oak Brook,
IL 60523, USA.

**For and on behalf of the Board of Directors**

**Sd/-**
**Vish Tadimety**
Chairman

Place : Trevose, PA, USA
Date : May 12, 2021

# INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors of Spatialitics LLC. (USA)**

**Report on the Audit of Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Spatialitics LLC. (USA)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act"), in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India , of the state of affairs of the Company as at 31st March, 2021 and its loss (including other comprehensive income), changes in equity and cash flows for the year ended on that date.

**Basis for Opinion**

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matter**

We draw your attention to the Note 23 of the financial statements, with regard to Management's assessment of, inter-alia, recoverability/realisability of receivables including unbilled receivables of ₹ 12.40 lakhs due to COVID 19 pandemic outbreak. The Management apart from considering the internal and external information up to the date of approval of these standalone financial statements, has also performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements. Considering the continuing uncertainties, the Management will continue to closely monitor any material changes to future economic conditions and does not anticipate any material financial or operational issues in the short term as well as on a long-term basis. Our report is not modified in respect of this matter.

**Responsibilities of Management and those charged with governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act and relevant rules thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

**Other Matters:**

The audit report has been prepared for the purpose of enabling Parent Company's financial reporting requirement under the Act and should not be used for purposes other than that which it is meant for

**For LODHA & CO.**
**Chartered Accountants**
Firm Registration No: 301051E

**Sd/-**
**R. P. Baradiya**
Partner
Membership No. 44101
UDIN: 20044101AAAADR2370

Place : Mumbai
Date : May 12, 2021

# Standalone Balance Sheet as at March 31, 2021

| | Particulars | Note | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|---|---|
| | | | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **I.** | **ASSETS** | | | | | |
| **1** | **Non-current assets** | | | | | |
| | Property, plant and equipment | **2** | 6,847 | 5.01 | 1,467 | 1.11 |
| | **Total non-current assets** | | **6,847** | **5.01** | **1,467** | **1.11** |
| | | | | | | |
| **2** | **Current assets** | | | | | |
| | Financial assets | | | | | |
| | Trade receivables | **3** | 16,963 | 12.40 | - | - |
| | Cash and cash equivalents | **4** | 158,809 | 116.10 | 149,196 | 112.88 |
| | Other current assets | **5** | 7,288 | 5.33 | 9,536 | 7.21 |
| | **Total current assets** | | **183,060** | **133.83** | **158,732** | **120.09** |
| | | | | | | |
| | **Total assets** | | **189,907** | **138.84** | **160,199** | **121.20** |
| | | | | | | |
| **II** | **EQUITY AND LIABILITIES** | | | | | |
| **1** | **Equity** | | | | | |
| | Equity share capital | **6** | 600,000 | 438.63 | 400,000 | 302.64 |
| | Other equity | **7** | (1,077,735) | (787.88) | (740,706) | (560.42) |
| | **Total equity** | | **(477,735)** | **(349.25)** | **(340,706)** | **(257.78)** |
| | | | | | | |
| **2** | **Liabilities** | | | | | |
| | **Current liabilities** | | | | | |
| | Financial liabilities | | | | | |
| | Trade payables | **8** | | | | |
| | -Total outstanding dues of micro enterprises and small enterprises | | - | - | - | - |
| | -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 59,609 | 43.58 | 80,840 | 61.16 |
| | Other financial liabilities | **9** | 492,014 | 359.69 | 385,600 | 291.74 |
| | Other current liabilities | **10** | 116,019 | 84.82 | 34,465 | 26.08 |
| | **Total current liabilities** | | **667,642** | **488.09** | **500,905** | **378.98** |
| | | | | | | |
| | **Total equity and liabilities** | | **189,907** | **138.84** | **160,199** | **121.20** |
| | **Significant Accounting Policies** | **1B** | | | | |

The accompanying notes are an integral part of the standalone financial statements

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Standalone Statement of Profit and Loss for the year ended March 31, 2021

| | Particulars | Note | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|---|---|
| | | | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| I | Revenue from Operations | 11 | 143,059 | 106.01 | 69,185 | 49.16 |
| II | Other Income | 12 | 102 | 0.08 | 1,268 | 0.90 |
| III | **Total Income (I + II)** | | **143,161** | **106.09** | **70,453** | **50.06** |
| | | | | | | |
| IV | **Expenses** | | | | | |
| | Cost of hardware/software package for service delivery and outsourced project cost | | 80,569 | 59.70 | 48,000 | 34.10 |
| | Employee benefits expense | 13 | 292,262 | 216.57 | 368,403 | 261.75 |
| | Depreciation and amortization expenses | 2 | 1,380 | 1.02 | 419 | 0.30 |
| | Other expenses | 14 | 105,979 | 78.53 | 139,958 | 99.45 |
| | **Total expenses (IV)** | | **480,190** | **355.82** | **556,780** | **395.60** |
| | | | | | | |
| V | **Loss before tax** | | **(337,029)** | **(249.73)** | **(486,327)** | **(345.54)** |
| | | | | | | |
| VI | **Tax expense** | | | | | |
| | Current tax | | - | - | - | - |
| | Deferred tax | | - | - | - | - |
| | | | - | - | - | - |
| | | | | | | |
| VII | **Loss for the year (V - VI)** | | **(337,029)** | **(249.73)** | **(486,327)** | **(345.54)** |
| | | | | | | |
| VIII | **Other Comprehensive Income** | | | | | |
| | **Items that will not be reclassified to profit or loss- (Gain/(Loss)** | | | | | |
| | Remeasurements of net defined benefit plans | | - | - | - | - |
| | Income tax relating to items that will not be reclassified to profit or loss" | | - | - | - | - |
| | | | | | | |
| | **Other Comprehensive Income for the year (VIII)** | | **-** | **-** | **-** | **-** |
| | | | | | | |
| IX | **Total Comprehensive Income for the year (VII - VIII)** | | **(337,029)** | **(249.73)** | **(486,327)** | **(345.54)** |
| | | | | | | |
| X | **Earnings per equity share:** | | | | | |
| | Basic & Diluted | 15 | (0.68) | (50.58) | (1.87) | (132.84) |
| | | | | | | |
| | **Significant Accounting Policies** | 1B | | | | |
| | The accompanying notes are an integral part of the Standalone financial statements | | | | | |

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Standalone Statement of Cash Flows for the year ended March 31, 2021

| Particulars | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **A. Cash flow from operating activities** | | | | |
| **Loss for the year** | **(337,029)** | **(249.73)** | **(486,327)** | **(345.54)** |
| **Adjustments for:** | | | | |
| Depreciation and amortisation expenses | 1,380 | 1.02 | 419 | 0.30 |
| Interest Income | 102 | 0.08 | 1,268 | 0.90 |
| Unrealised foreign exchange gain | - | 22.29 | - | (39.01) |
| **Operating loss before working capital changes** | **(335,547)** | **(226.34)** | **(484,640)** | **(383.35)** |
| Adjustments for: | | | | |
| (Increase) in Trade receivables | (16,963) | (12.40) | | |
| (Increase)/Decrease in Other receivables | 2,248 | 1.88 | (1,035) | (1.33) |
| Increase in Trade and other payables | 166,737 | 109.09 | 119,545 | 115.30 |
| **Cash used from operations** | **(183,525)** | **(127.77)** | **(119,545)** | **(269.38)** |
| Direct taxes paid (net) | - | - | - | - |
| **Net cash (used) in operating activities (A)** | **(183,525)** | **(127.77)** | **(366,130)** | **(269.38)** |
| **B. Cash flow from investing activities** | | | | |
| Purchase of property, plant & equipment (including capital work-in-progress) | (6,760) | (4.92) | (1,886) | (1.41) |
| Sale/Transfer of Asset | - | - | 18,129 | 12.54 |
| Interest received | (102) | (0.08) | (1,268) | (0.90) |
| **Net cash generated from/ (used) in investing activities (B)** | **(6,862)** | **(5.00)** | **14,975** | **10.23** |
| **C. Cash flow from financing activities** | | | | |
| Proceeds from Units issued | 200,000 | 135.99 | 200,000 | 164.34 |
| **Net cash generated from financing activities (C)** | **200,000** | **135.99** | **200,000** | **164.34** |
| **Net Increase/(Decrease) in cash & cash equivalents (A + B + C)** | **9,613** | **3.22** | **(151,155)** | **(94.81)** |
| Cash & cash equivalents - Opening | 149,196 | 112.88 | 300,351 | 207.69 |
| **Cash & cash equivalents - Closing** | **158,809** | **116.10** | **149,196** | **112.88** |

**Significant Accounting Policies**

The accompanying notes are an integral part of the standalone financial statements.

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Standalone Statement of Changes in Equity for the year ended March 31, 2021

**(A) Equity Share Capital**

| | US Dollars | ₹(In Lakhs) |
|---|---|---|
| **Balance as at April 1, 2019** | **200,000** | **138.30** |
| Changes in share capital during the year | 200,000 | 164.34 |
| **Balance as at March 31, 2020** | **400,000** | **302.64** |
| Changes in share capital during the year | 200,000 | 135.99 |
| **Balance as at March 31, 2021** | **600,000** | **438.63** |

**(B) Other Equity**

| **Particulars** | **Retained Earnings** | | **Foreign Currency Translation Reserve** | **Total** | |
|---|---|---|---|---|---|
| | **US Dollars** | **₹(In Lakhs)** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| **Balance as at April 1, 2019** | **(254,379)** | **(177.82)** | **1.95** | **(254,379)** | **(175.87)** |
| Loss for the year | (486,327) | (345.54) | - | (486,327) | (345.54) |
| Foreign Currency Reinstatement | - | - | (39.01) | - | (39.01) |
| **Balance as at March 31, 2020** | **(740,706)** | **(523.36)** | **(37.06)** | **(740,706)** | **(560.42)** |
| Loss for the year | (337,029) | (249.73) | - | (337,029) | (249.73) |
| Foreign Currency Reinstatement | - | - | 22.27 | - | 22.27 |
| **Balance as at March 31, 2021** | **(1,077,735)** | **(773.09)** | **(14.79)** | **(1,077,735)** | **(787.88)** |

**Significant accounting policies**

The accompanying notes are an integral part of the standalone financial statements. .

**As per our report of even date**

For **LODHA & CO.**
*Chartered Accountants*
Firm Registration Number - 301051E

**For and on behalf of the Board of Directors**

**Sd/-**
**R.P. Baradiya**
Partner
Membership No. 44101

Place : Mumbai
Date : May 12, 2021

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Notes to financial statements for the year ended March 31, 2021

**'NOTE '1'**

**A. CORPORATE INFORMATION**

Spatialitics LLC. (The 'Limited Liability Co.') was incorporated on February 8, 2018 in the State of Delaware USA. The Company is a wholly owned subsidiary of its Parent Company, CyberTech Systems and Software Limited, India. Spatialitics LLC specializes in providing Spatial Analytics Products and Platforms. It is a cloud software business founded with the sole aim of disrupting an organization's decision making process, and offering a fresh perspective on mining business insights from enterprise data. Spatialitics' primary value proposition is:.

- Delivering significant ROI and enterprise digitalization efficiencies to clients.
- Platform that delivers complex Spatial Analytics leveraging composite data from a variety of sources including ERP, GIS, Healthcare Systems or CRM
- Vertical Industry Solutions for Law Enforcement, Healthcare and Utilities

The LLC is a registered and domiciled in USA and has its registered office in Oakbrook, IL, USA.

**SIGNIFICANT ACCOUNTING POLICIES**

**1. Basis of Preparation of Financial Statements:**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Indian Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules, 2015 as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and historical cost convention except for the following material items that has been measured at fair value as required by the relevant Ind AS:

- Certain financial assets and liabilities are measured at Fair value

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in US Dollar & Indian Rupee (INR).

**2. Use of Estimates and judgments:**

The preparation of the financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Critical accounting judgements and key source of estimation uncertainty**

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

**3. Property, plant and equipment (PPE)**

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

## Notes to financial statements for the year ended March 31, 2021

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

**4. Intangible assets**

Intangible assets are stated at cost less accumulated amortisation and impairment.

**5. Depreciation and Amortisation:**

**(a) Property plant and equipment (PPE)**

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II of the Act.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

**(b) Intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

**(c) Impairment**

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognized for the asset in prior years.

Intangible assets are amortised over their estimated useful life on a straight line basis as follows:

- Type of Asset : Computer software
- Useful life: 4 years

**6. Financial Instruments:**

**Financial assets - Initial recognition:**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

**Subsequent measurement:**

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the group changes its business model for managing financial assets.

## Notes to financial statements for the year ended March 31, 2021

**(i) Measured at amortised cost:**

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

**(ii) Measured at fair value through other comprehensive income (FVTOCI):**

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

**(iii) Measured at fair value through profit or loss (FVTPL):**

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

**Equity instruments:**

On initial recognition, the Company can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

**Impairment**

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Company recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss.

For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

**De-recognition**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, 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.

# Notes to financial statements for the year ended March 31, 2021

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.

**Financial Liabilities**

**Initial Recognition and measurement**

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

**Loans & Borrowings:**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method. Gains and losses are recognized in profit & loss when the liabilities are derecognized as well as through EIR amortisation process.

**Financial Guarantee Contracts**

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

**De-recognition**

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 recognized in the statement of profit or loss.

**Derivative financial instruments**

The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**7. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives, investments 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:

(a) In the principal market for the asset or liability, or

(b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# Notes to financial statements for the year ended March 31, 2021

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**8. Cash and Cash Equivalents:**

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

**9. Foreign Currency Transactions:**

All assets and liabilities, both monetary and non-monetary, are translated at the closing rate while the income and expenses are translated at the average rate for the year. The resulting exchange differences have been accumulated in the Foreign Currency Translation Reserve.

**10. Revenue Recognition:**

The Company derives revenues primarily from information technology services comprising of software development, consulting and customer support services, and from the licensing of software products and platforms.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services.

Arrangements with customers for information technology services are either on a fixed-price, fixed-time frame or on a time-and-material basis. Revenue on time-and-material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. Revenue from fixed-price, fixed-time frame 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.

Revenues in excess of invoicing are classified as contract assets (which we refer to as unbilled revenue) while invoicing in excess of revenues are classified as contract liabilities (which we refer to as Income billed in advance).Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period. Arrangements to deliver software products generally have three elements : license, implementation and Annual Maintenance Services (AMS). The Company has applied the principles under Ind AS 115 to account for revenues from these performance obligations. When implementation services are provided in conjunction with the licensing arrangement and the license and implementation have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. In the absence of standalone selling price for implementation, the performance obligation is estimated using the expected cost plus margin approach. Where the license is required to be substantially customized as part of the implementation service, the entire arrangement fee for license and implementation is considered to be a single performance obligation and the revenue is recognized using the percentage-of-completion method as the implementation is performed. Revenue from client training, support and other services arising due to the sale of software products is recognized as the performance obligations are satisfied. AMS revenue is recognized ratably over the period in which the services are rendered.

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch-up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if the additional services are priced at the standalone selling price, or as a termination of the existing contract and creation of a new contract if not priced at the standalone selling price.

The Company presents revenues net of indirect taxes in its Statement of Profit and Loss.

# Notes to financial statements for the year ended March 31, 2021

**11. Employee Benefits:**

**a) Compensation and Short-term employee benefits :**

All employee benefits which are payable within twelve months of rendering the service are classified as short term employee benefits. Compensation are recognized at actual amounts due in the period in which the employee renders the related service. Vacation pay is recognized when taken and only limited amounts may be carried forward from year to year.

Associated Short-term Benefits include the following:

i) Healthcare Insurance

ii) Disability Insurance

iii) Life Insurance

All Short-term Benefits Cost is shared between the Company and the Employee. The Company portion is recognized at actual amount in the period billed.

**b) Other Short-term Benefit**s:

- Defined Contribution Plans:

Contributions are made annually to the Companies 401k Plan (Defined Contribution Plan) based on savings contributions made by employees. All Company contributions accrue to the benefit of and are 100% vested to employees when earned, based on their contribution and as defined by the US Safe Harbor contribution limitations. The Company contribution is recognized monthly on an accrual basis in the period that employee contributions are credited.

**c) Long-term Post Retirement Benefits:**

The Company does not sponsor a Defined Benefit or other Post Retirement Benefit Plan.

**12. Taxes on Income:**

Provision for tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the relevant Income Tax laws of United States of America. The deferred tax for timing difference is accounted for, based on the tax rules and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising out from the timing differences are recognized to the extent there is virtual/reasonable certainty that these would be realized in future.

**13. Borrowing Cost:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets 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 recognized as an expense in the period in which they are incurred.

**14.Earnings Per Share:**

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**15.Leases:**

**Where the Company is Lessee**

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.leases and requires lessees to account for all leases. The adoption of this Standard results in the recognition of Right of Use (ROU) asset and a lease liability and a net adjustment on Statement of Profit and Loss.

## Notes to financial statements for the year ended March 31, 2021

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.

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.

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.

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. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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 if whether it will exercise an extension or a termination option.

**16. Provisions, Contingent Liabilities and Contingent Assets:**

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

# Notes to financial statements for the year ended March 31, 2021

## 2 Property, plant and equipment

(Amount in US Dollars)

| Particulars | Computers | Total |
|---|---|---|
| **Gross carrying amount** | | |
| **Balance as at April 1, 2019** | **-** | **-** |
| Additions | 1,886 | 1,886 |
| Adjustments/Disposals | - | - |
| **Balance as at March 31, 2020** | **1,886** | **1,886** |
| Additions | 6,760 | 6,760 |
| Adjustments/Disposals | - | - |
| **Balance as at March 31, 2021** | **8,646** | **8,646** |
| | | |
| **Accumulated Depreciation** | | |
| **Balance as at April 1, 2019** | **-** | **-** |
| Depreciation charged for the year | 419 | 419 |
| Adjustments/Disposals | - | - |
| **Balance as at March 31, 2020** | **419** | **419** |
| Depreciation charged for the year | 1,380 | 1,380 |
| Adjustments/Disposals | - | - |
| **Balance as at March 31, 2021** | **1,799** | **1,799** |
| | | |
| **Net Block** | | |
| **Balance as at March 31, 2020** | **1,467** | **1,467** |
| **Balance as at March 31, 2021** | **6,847** | **6,847** |

(₹ in Lakhs)

| Particulars | Computers | Total |
|---|---|---|
| **Gross carrying amount** | | |
| **Balance as at April 1, 2019** | **-** | **-** |
| Additions | 1.43 | 1.43 |
| Adjustments/Disposals | - | - |
| **Balance as at March 31, 2020** | **1.43** | **1.43** |
| Additions | 4.94 | 4.94 |
| Disposals/Adjustments | (0.02) | (0.02) |
| **Balance as at March 31, 2021** | **6.35** | **6.35** |
| | | |
| **Accumulated Depreciation** | | |
| **Balance as at April 1, 2019** | **-** | **-** |
| Depreciation charged for the year | 0.30 | 0.30 |
| Adjustments/Disposals | 0.02 | 0.02 |
| **Balance as at March 31, 2020** | **0.32** | **0.32** |
| Depreciation charged for the year | 1.02 | 1.02 |
| Adjustments/Disposals | - | - |
| **Balance as at March 31, 2021** | **1.34** | **1.34** |
| | | |
| **Net Block** | | |
| **Balance as at March 31, 2020** | **1.11** | **1.11** |
| **Balance as at March 31, 2021** | **5.01** | **5.01** |

## 3 Trade receivables

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹ (in Lakhs) | US Dollars | ₹ (in Lakhs) |
| **Unsecured, considered good** | | | | |
| Trade receivables | 16,963 | 12.40 | - | - |
| **Total** | **16,963** | **12.40** | **-** | **-** |
| Less: Provision for doubtful debts | - | - | - | - |
| **Total** | **16,963** | **12.40** | **-** | **-** |

# Notes to financial statements for the year ended March 31, 2021

| 4 Cash and cash equivalents | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹ (in Lakhs) | US Dollars | ₹ (in Lakhs) |
| **Balances with Banks** | | | | |
| In current accounts | 158,809 | 116.10 | 149,196 | 112.88 |
| | **158,809** | **116.10** | **149,196** | **112.88** |

| 5 Other current assets | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹ (in Lakhs) | US Dollars | ₹ (in Lakhs) |
| **Unsecured, considered good** | | | | |
| Advances for supply of goods and rendering of services | - | - | 649 | 0.49 |
| Prepaid expenses | 7,288 | 5.33 | 8,887 | 6.72 |
| **Total** | **7,288** | **5.33** | **9,536** | **7.21** |

| 6 Equity Share Capital | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Authorised** | | | | |
| 10,000,000 (As at March 31,2020 10,000,000) Units of USD 1.00 each | 10,000,000 | 7,310.50 | 10,000,000 | 7,566.00 |
| | **10,000,000** | **7,310.50** | **10,000,000** | **7,566.00** |
| Issued, Subscribed and paid-up | | | | |
| 600,000 (As at March 31, 2020 400,000) Units of USD 1.00 each | 600,000 | 438.63 | 400,000 | 302.64 |
| | **600,000** | **438.63** | **400,000** | **302.64** |

**7 Other Equity**

| Particulars | Retained Earnings | | Foreign Currency Translation Reserve | Total | |
|---|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Balance as at March 31, 2020** | **(740,706)** | **(523.36)** | **(37.06)** | **(740,706)** | **(560.42)** |
| Loss for the year | (337,029) | (249.73) | - | (337,029) | (249.73) |
| Foreign Currency Reinstatement | - | - | 22.27 | - | 22.27 |
| **Balance as at March 31, 2021** | **(1,077,735)** | **(773.09)** | **(14.79)** | **(1,077,735)** | **(787.88)** |

| 8 Trade payables | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Trade payables** | | | | |
| -Total outstanding dues of micro enterprises and small enterprises | - | - | - | - |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | 59,609 | 43.58 | 80,840 | 61.16 |
| **Total** | **59,609** | **43.58** | **80,840** | **61.16** |

| 9 Other financials liabilities | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Other Payables to related parties | 492,014 | 359.69 | 385,600 | 291.74 |
| **Total** | **492,014** | **359.69** | **385,600** | **291.74** |

# Notes to financial statements for the year ended March 31, 2021

| 10 Other current liabilities | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Advance from customers | 116,019 | 84.82 | 34,465 | 26.08 |
| **Total** | **116,019** | **84.82** | **34,465** | **26.08** |

| 11 Revenue from operations | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Sale of services** | | | | |
| Information technology services | 143,059 | 106.01 | 69,185 | 49.16 |
| **Total** | **143,059** | **106.01** | **69,185** | **49.16** |

| 12 Other income | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Interest on** | | | | |
| Deposit with banks | 102 | 0.08 | 1,268 | 0.90 |
| **Total** | **102** | **0.08** | **1,268** | **0.90** |

| 13 Employee benefits expense | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Salaries and wages | 263,328 | 195.13 | 355,865 | 252.84 |
| Staff welfare expense | 28,934 | 21.44 | 12,538 | 8.91 |
| **Total** | **292,262** | **216.57** | **368,403** | **261.75** |

| 14 Other expenses | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| Rent | 13,807 | 10.23 | 13,287 | 9.44 |
| Repairs & maintenance | | | | |
| Plant and equipment | 581 | 0.43 | 564 | 0.40 |
| Insurance | 5,025 | 3.72 | - | - |
| Rates and taxes | 1,495 | 1.11 | - | - |
| Travelling and conveyance | - | - | 18,628 | 13.24 |
| Communication | - | - | 1,923 | 1.37 |
| Professional fees | 23,555 | 17.45 | 47,826 | 33.98 |
| Subscription and Periodicals | 42,957 | 31.83 | 37,845 | 26.89 |
| Auditors' remuneration | 7,000 | 5.19 | 4,000 | 2.84 |
| Miscellaneous expenses | 11,558 | 8.57 | 15,885 | 11.29 |
| **Total** | **105,979** | **78.53** | **139,958** | **99.45** |

**15 Earning per share (EPS)**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **Particulars** | **US Dollars** | **₹ (In Lakhs)** | **US Dollars** | **₹ (In Lakhs)** |
| Loss available for Equity Shareholders | (337,029) | (249.73) | (486,327) | (345.54) |
| Weighted Average Number of Equity Shares outstanding for computing Basic EPS | 493,699 | 493,699 | 260,109 | 260,109 |
| | **US Dollars** | **Amount in ₹** | **US Dollars** | **Amount in ₹** |
| Nominal value of Equity Shares | 1.00 | 73.11 | 1.00 | 75.66 |
| **Basic and Diluted Earnings Per Share** | **(0.68)** | **(50.58)** | **(1.87)** | **(132.84)** |

# Notes to financial statements for the year ended March 31, 2021

**16 Contingent Liabilities**

There are no legal cases by and against the Company.

**17 Rates used for conversion**

| Particulars | Unit of Currency | For the year 2020-21 | For the year 2019-20 |
|---|---|---|---|
| Balance Sheet | USD | 73.11 | 75.66 |
| Statement of Profit and Loss | USD | 74.10 | 71.05 |

**18 Disclosure on related party transactions**

**A) Names of related parties and description of relationship:**

**a) Holding Company**
CyberTech Systems and Software Limited

**b) Fellow Subsidiary**
CyberTech Systems and Software inc-USA

**c) Key Management Personnel (KMP)**
Mr. Vish Tadimety
Mr. Steven Jeske
Mr. Ramasubramanian S.

**B) Related party transactions with Group Companies/Joint Venture/KMP's/ Relative of KMP's/Enterprises where KMP and Relatives of KMP have significant influence during the year:**

| Particulars | For the year ended March 31,2021 | | For the year ended March 31,2020 | |
|---|---|---|---|---|
| | US Dollars | ₹(In Lakhs) | US Dollars | ₹(In Lakhs) |
| **Purchase of Services** | | | | |
| CyberTech Systems and Software Limited | 77,846 | 57.68 | 48,000 | 34.10 |
| CyberTech Systems and Software inc-USA | 2,723 | 2.02 | - | - |
| **Expenses/Reimbursement of Expenses** | | | | |
| CyberTech Systems and Software Limited | 14,842 | 11.00 | 6,291 | 4.47 |
| CyberTech Systems and Software inc-USA | 103,691 | 76.84 | 57,872 | 41.12 |
| | | | | |
| **Share Capital issued** | | | | |
| CyberTech Systems and Software Limited | 200,000 | 148.20 | 200,000 | 142.10 |

**C) Outstanding balances**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| **Trade/Other payables** | **US Dollars** | **₹(In Lakhs)** | **US Dollars** | **₹(In Lakhs)** |
| CyberTech Systems and Software Limited | 50,400 | 36.84 | 51,612 | 39.05 |
| CyberTech Systems and Software inc-USA | 492,014 | 359.69 | 385,600 | 291.74 |

**Notes:**

(i) All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.

(ii) No amounts in respect of related parties have been written off / written back during the year, nor has any provision been made for doubtful debts / receivables during the year.

(iii) Related party relationships have been identified by the management and relied upon by the Auditors.

# Notes to financial statements for the year ended March 31, 2021

**19 Lease:**

The Company has not taken any premises on lease.

**20 Financial Risk Management**

**Financial risk management objectives and policies:**

The Company's business activities exposed it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's Management has the overall responsibility for establishing and governing the Company's risk management framework.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Liquidity risk* | Borrowings and other liabilities | Rolling cash flow forecasts | Availability of working capital management |
| Credit risk | Cash and cash equivalents, trade receivables, Investments, loans and other financial assets measured at fair /amortised cost. | Ageing analysis/ Credit ratings | Diversification in various class of assets, credit limits and letters of credit |
| Market Risk - Interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Interest rate swaps |

* The Company has no borrowings as on March 31,2021

**(A) Market Risk- Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The Company is having short term borrowings from banks.

**(i) Exposure to interest rate risk - Financial liabilities**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Borrowings bearing variable rate of interest - Cash credits - short term in nature | - | - | - | - |

Hence, the Company is not significantly exposed to the interest rate risk as working capital facility are, as per contractual terms, primarily of short term in nature.

**(B) Market Risk- Foreign currency risk.**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

**Derivative Contracts and unhedged foreign currency exposure**

**Derivative contracts outstanding as at March 31, 2021**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Forward Contract to sell USD | - | - | - | - |

# Notes to financial statements for the year ended March 31, 2021

**Unhedged foreign currency exposure as at March 31, 2021**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| Trade receivables | - | - | - | - |

**A change of 1% in Foreign currency would have following Impact on profit before tax**

| | For the year ended March 31, 2021 | | For the year ended March 31, 2020 | |
|---|---|---|---|---|
| | 1% Increase | 1% decrease | 1% Increase | 1% decrease |
| Increase / (decrease) in profit or loss | - | - | - | - |

**(C) Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in mutual funds, deposits with banks and financial institutions and debentures and bonds, foreign exchange transactions and financial instruments.

To manage the credit risk from trade receivables, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period.

Credit risk from investments is managed by the Company's treasury in accordance with the board approved policy and limits.

To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,

ii) Actual or expected significant changes in the operating results of the counterparty,

iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,

iv) Significant increase in credit risk on other financial instruments of the same counterparty,

v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees.

**Ageing of Account receivables**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| 0-3 months | 16,963 | 12.40 | - | - |
| 3-6 months | - | - | - | - |
| 6 months to 12 months | - | - | - | - |
| beyond 12 months | - | - | - | - |
| **Total** | **16,963** | **12.40** | **-** | **-** |

**Movement in provisons of doubtful debts**

| | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| **Opening provision** | - | - | - | - |
| Add:- Additional provision made | - | - | - | - |
| Less:- Provision write off/ reversed | - | - | - | - |
| Less:- Provision utilised against bad debts | - | - | - | - |
| **Closing provisions** | **-** | **-** | **-** | **-** |

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. Exposure to customers is diversified and there are no customers contributing more than 10% of outstanding trade receivables and unbilled revenues.

# Notes to financial statements for the year ended March 31, 2021

**(D) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations.

**Financing arrangements**

The company had no Borrowing facilities at end of reporting period:

**Maturity patterns of other Financial Liabilities**

**Trade Payables**

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|---|---|---|---|---|
| | US Dollars | (₹ In Lakhs) | US Dollars | (₹ In Lakhs) |
| 0-1 years | 59,609 | 43.58 | 80,840 | 61.16 |
| more than 1 year | - | - | - | - |
| **Total** | **59,609** | **43.58** | **80,840** | **61.16** |

**21 Financial Instruments**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**The following methods and assumptions are used to estimate the fair values:**

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**The carrying amounts and fair values of financial instruments by category are as follows:**

**a. Financial assets**

**(Amount in US Dollars)**

| | Instruments carried at fair value | | | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|---|---|
| | FVOCI (Equity instruments) | FVOCI (Other instruments) | FVTPL | Total fair value (A) | Carrying amount (B) | Fair value | Total carrying amount (A+B) |
| **As at 31st March, 2021** | | | | | | | |
| Trade Receivables | - | - | - | - | 16,963 | 16,963 | 16,963 |
| Cash and cash equivalents | - | - | - | - | 158,809 | 158,809 | 158,809 |
| **Total** | **-** | **-** | **-** | **-** | **175,772** | **175,772** | **175,772** |

# Notes to financial statements for the year ended March 31, 2021

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **As at 31st March, 2020** | | | | | | | |
| Trade Receivables | - | - | - | - | - | - | - |
| Cash and cash equivalents | - | - | - | - | 149,196 | 149,196 | 149,196 |
| **Total** | **-** | **-** | **-** | **-** | **149,196** | **149,196** | **149,196** |

(₹ in lakhs)

| | Instruments carried at fair value | | | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|---|---|
| | FVOCI (Equity instruments) | FVOCI (Other instruments) | FVTPL | Total fair value (A) | Carrying amount (B) | Fair value | Total carrying amount (A+B) |
| **As at 31st March, 2021** | | | | | | | |
| Trade Receivables | - | - | - | - | 12.40 | 12.40 | 12.40 |
| Cash and cash equivalents | - | - | - | - | 116.10 | 116.10 | 116.10 |
| **Total** | **-** | **-** | **-** | **-** | **128.50** | **128.50** | **128.50** |
| **As at 31st March, 2020** | | | | | | | |
| Trade Receivables | - | - | - | - | - | - | - |
| Cash and cash equivalents | - | - | - | - | 112.88 | 112.88 | 112.88 |
| **Total** | **-** | **-** | **-** | **-** | **112.88** | **112.88** | **112.88** |

**b. Financial liabilities**

(Amount in US Dollars)

| | Instruments carried at fair value | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|
| | FVTPL | Total carrying amount and fair value (A) | Carrying amount (B) | Fair value | Total carrying amount (A+B) |
| **As at 31st March, 2021** | | | | | |
| Trade payables | - | - | 59,609 | 59,609 | 59,609 |
| **Total** | **-** | **-** | **59,609** | **59,609** | **59,609** |
| **As at 31st March, 2020** | | | | | |
| Trade payables | - | - | 80,840 | 80,840 | 80,840 |
| **Total** | **-** | **-** | **80,840** | **80,840** | **80,840** |

(₹ in Lakhs)

| | Instruments carried at fair value | | Instruments carried at amortized cost | | |
|---|---|---|---|---|---|
| | FVTPL | Total carrying amount and fair value (A) | Carrying amount (B) | Fair value | Total carrying amount (A+B) |
| **As at 31st March, 2021** | | | | | |
| Trade payables | - | - | 43.58 | 43.58 | 43.58 |
| **Total** | **-** | **-** | **43.58** | **43.58** | **43.58** |
| **As at 31st March, 2020** | | | | | |
| Trade payables | - | - | 61.16 | 61.16 | 61.16 |
| **Total** | **-** | **-** | **61.16** | **61.16** | **61.16** |

# Notes to financial statements for the year ended March 31, 2021

The Management assessed that fair value of cash and cash equivalents, trade receivables, investments in term deposits, loans, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) is considered to be equal to the carrying amount of these items due to their short-term nature.

**c. Fair value estimation**

For financial instruments measured at fair value in the Balance Sheet, a three level fair value hierarchy is used that reflects the significance of inputs used in the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: quoted prices for identical instruments
- Level 2: directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: inputs which are not based on observable market data.

For assets and liabilities which are carried at fair value, the classification of fair value calculations by category is summarised below:

| | | | | **(Amount in US Dollars)** |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **As at 31st March, 2021** | - | - | - | - |
| **Total** | - | - | - | - |

| | | | | **(Amount in US Dollars)** | |
|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** | |
| **As at 31st March, 2020** | - | - | - | - | - |
| **Total** | - | - | - | - | |

| | | | | **(₹ in Lakhs)** | |
|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** | |
| **As at 31st March, 2021** | - | - | - | - | - |
| **Total** | - | - | - | - | |

| | | | | **(₹ in Lakhs)** | |
|---|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** | |
| **As at 31st March, 2020** | | - | - | - | - |
| **Total** | - | - | - | - | |

**22 Capital risk management**

**(a) Risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares.

The Company does not have any borrowings as on March 31, 2021. Hence Capital Gearing Ratio is not applicable

**23** In view of recent surge in Covid-19 cases, the Company continues to be vigilant and cautious. The Company has considered the possible impact of Covid 19 that may impact the carrying amounts of receivables. In making assumptions and estimates relating to the uncertainties as at the balance sheet date in relation to the recoverable amounts, the company has interalia considered subsequent events, internal and external information and evaluated economic conditions up to the date of approval of these financial statements. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company does not anticipate any material financial or operational issues in the short term as well as on a long term basis.

# Notes to financial statements for the year ended March 31, 2020

**24** The Company is yet to receive balance confirmations in respect of certain Financial Assets and Financial Liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

**25 DTA Recognition and Going Concern Assumption:**

a) Deferred Tax Asset has not been recognised in the absence of future taxable profit in the foreseeable period.

b) The Company has prepared the accounts on a going concern basis irrespective of a negative net worth as at the Balance Sheet date. The going concern assumption over a period of one year is not expected to be vitiated based on the support received from the Holding Company "Cybertech Systems & Software Limited.

**26** The Company has only single reportable business segment i.e. ' Information technology Services' in terms of requirements of IND AS 108.

**27** The previous year's figures have been regrouped/re-classified wherever required to conform to current years classification.

**28** The financial statements were approved for issue by the Board of Directors on May 12, 2021.

**For and on behalf of the Board of Directors**

**Sd/-**
**Steven Jeske**
Director

Place : Oakbrook, IL, USA
Date : May 12, 2021

# Intimation on Tax Deduction on Dividend

Dear Shareholder(s),

We are pleased to inform you that the Board of Directors of the Company at their meeting held on May 13, 2021 recommended payment of dividend for F.Y. 2020-21 of Re.1 (Rupee one only) per equity share of the face value of ₹10/- (Rupees Ten) each for the financial year ended March 31, 2021 ("final dividend"), subject to approval of the shareholders at the ensuing 26th Annual General Meeting (AGM) of the Company to be held on September 15, 2021 at 05.00 p.m. through Video Conferencing /Other Audio Visual Means. The Record date fixed for determining the eligibility of shareholders for the payment of final dividend is September 08, 2021. The final dividend would be paid to the eligible shareholders on or before September 30, 2021.

As you are aware that as per the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source at the time of making the payment of the said Final Dividend, if declared at the above AGM.

The TDS rate may vary depending on the residential status of the shareholder and the documents submitted to the Company in accordance with the provisions of the Act. The TDS for various categories of shareholders along with required documents are provided in Table 1 and below::

**1. Resident Shareholders**

| **Category of Shareholder** | **Exemption Applicability/ Documents required** |
|---|---|
| **Mutual Funds** | No TDS is required to be deducted as per Section 196(iv) of the Act, subject to specified conditions. Self attested copy of valid SEBI registration certificate needs to be submitted. |
| **Insurance Companies** | No TDS is required to be deducted as per Section 194 of the Act, subject to specified conditions. Self-attested copy of valid IRDAI registration certificate needs to be submitted. |
| **Category I and II Alternative Investment Fund** | No TDS is required to be deducted as per Section 197A(1F) of the Act, subject to specified conditions. Self attested copy of valid SEBI registration certificate needs to be submitted. |
| **Recognized Provident Fund** | No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions Self-attested copy of a valid order from Commissioner under Rule 3 of Part A of Fourth Schedule to the Act, or self-attested valid documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the provident fund being established under a scheme framed under the Employees' Provident Funds Act, 1952 needs to be submitted. |
| **Approved Superannuation Fund** | No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self-attested copy of valid approval granted by Commissioner under Rule 2 of Part B of Fourth Schedule to the Act needs to be submitted. |
| **Approved Gratuity Fund** | No TDS is required to be deducted as per Circular No.18/2017, subject to specified conditions. Self- attested copy of valid approval granted by Commissioner under Rule 2 of Part C of Fourth Schedule to the Act needs to be submitted. |
| **National Pension Scheme** | No TDS is required to be deducted as per Section 197A(1E) of the Act. |
| **Government (Central/State)** | No TDS is required to be deducted as per Section 196(i) of the Act. |
| **Any other entity entitled to exemption from TDS** | Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc.) in support of the entity being entitled to TDS exemption needs to be submitted. |

| | |
|---|---|
| **Other resident shareholder** | a. TDS is required to be deducted at the rate of 10% under Section 194 of the Act.<br>b. In case the dividend is not exceeding ₹5,000 in a fiscal year to resident individual shareholder then no tax will be deducted from the dividend. If any resident individual shareholder is in receipt of Dividend exceeding ₹ 5,000 in a fiscal year, entire dividend will be subject to TDS @ 10%.<br>c. No TDS is required to be deducted on furnishing of valid Form 15G (for individuals, with no tax liability on total income and income not exceeding maximum amount which is not chargeable to tax) or Form 15H (for individual above the age of 60 years with no tax liability on total income).<br>d. **TDS is required to be deducted at the rate of 20% under Section 206AA of the Act, if valid PAN of the shareholder is not available.***<br>e. TDS is required to be deducted at the rate prescribed in the lower tax withholding certificate issued under Section 197 of the Act, if such valid certificate is provided. |

* If the PAN is not as per the database of the Income-tax Portal, it would be considered as invalid PAN. Further as per the Notification of Central Board of Direct Taxes, individual shareholders are requested to link their Aadhaar number with PAN.

**Please Note that:**

a) Recording of the valid Permanent Account Number (PAN) for the registered Folio/DP id Client Id is mandatory. In absence of valid PAN, tax will be deducted at a higher rate of 20% as per Section 206AA of the Act.

b) Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

**2 Non-resident Shareholders**

| Category of Shareholder | Exemption Applicability/ Documents required |
|---|---|
| **Non-resident shareholders [Including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)]** | TDS is required to be deducted at the rate of 20% (plus applicable surcharge and cess) under Section 196D or 195 of the Act, as the case may be.<br>Or<br>Further, as per Section 90 of the Act, a non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Treaty between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail Tax Treaty benefits, the non-resident shareholders will have to provide the following:<br>o Self-attested copy of the PAN allotted by the Indian Income Tax authorities, if available;<br>o Self-attested copy of valid Tax Residency Certificate obtained from the tax authorities of the country of which the shareholder is a resident;<br>o Self-declaration in Form 10F; and<br>o Self-declaration in the attached format certifying:<br>i. Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22;<br>ii. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;<br>iii. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;<br>iv. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and<br>v. Shareholder does not have a taxable presence or a permanent establishment in India during the Financial Year 2021-22. |

| | |
|---|---|
| **Any entity/individual entitled to exemption from TDS** | TDS is required to be deducted at the rate prescribed in valid lower tax withholding certificate issued under Section 197 of the Act, if such certificate is provided.<br><br>Or<br><br>Valid self-attested documentary evidence (e.g. relevant copy of registration, notification, order, etc. by Indian tax authorities) in support of the entity being entitled to exemption from TDS is to be submitted. |

**Note:**

Note: The Shareholders holding shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

Kindly note that the documents as mentioned in the Table 1 and 2 above are required to be submitted to the Registrar at email ID : cssldivtax@linkintime.co.in or update the same by visiting the link https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before September 07, 2021 in order to enable the Company to determine and deduct appropriate TDS / withholding tax rate. No communication/documents on the tax determination/deduction shall be considered post 11:59 PM (IST) of Tuesday, September 07, 2021.

**The Company will arrange to email a soft copy of the TDS certificate at the shareholders registered email ID in due course, post payment of the said Final Dividend. Shareholders will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at https://www.incometax.gov.in/iec/foportal/.**

*In view of the prevailing lockdown due to COVID 19, shareholders are requested to complete necessary formalities with regard to their bank accounts attached to their demat account for enabling the Company to make timely credit of dividend in the respective bank accounts.*

We request your cooperation in this regard.

Yours Sincerely,

**For CyberTech Systems & Software Ltd.**

**Sarita Leelaramani**
**Company Secretary & Compliance Officer**

Place : Thane
Date : July 23, 2021

***Disclaimer:*** *This communication shall not be treated as an advice from the Company or its Registrar & Transfer Agent. Shareholders should obtain the tax advice related to their tax matters from a tax professional.*

# Attention!

**To**
**The Shareholders**
**CyberTech Systems & Software Ltd.**
**Thane - 400604**

**Dear Member(s),**

**Sub: Compulsory Transfer of Equity Shares of the Company to DEMAT Account of Investor Education and Protection Fund (IEPF) Authority.**

You are hereby requested to note that the compulsory transfer of Equity Shares of the Company, in respect of which dividend entitlements have remained unclaimed or unpaid for seven (7) consecutive years or more in terms of **the provisions of Section 124 (6)** of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

In compliance with the said Rules, the Company has communicated individually to the concerned shareholders whose shares are liable to be transferred to the DEMAT Account of IEPF Authority. The Company shall take necessary steps to transfer the concerned shares held by such shareholders in physical or DEMAT form to the DEMAT Account to the IEPF Authority within 30 days from the due date i.e., October 30, 2021.

The concerned shareholders holding the shares in physical form and whose shares are liable to be transferred to IEPF, may please note that the Company would be issuing new share certificate(s) in lieu of the original share certificate(s) held by them for the purpose of conversion into Demat Form and subsequent transfer in Demat Account opened by the IEPF Authority with NSDL and CDSL through Punjab National Bank. Upon such issue, the original share certificate(s) issued to the concerned shareholders will stand automatically cancelled and be deemed non-negotiable. Further, the concerned shareholders, who are holding the shares in demat form, may please note that the transfer of shares in DEMAT Account of the IEPF Authority as indicated hereinabove will be effected by the Company through the respective depository by way of Corporate Action.

The Company has uploaded complete details of such shares on its website https://www.cybertech.com/investors/unclaimedShares.aspx, which shall be deemed to be adequate notice in respect of issue of new share certificate(s) by the Company for the purpose of transfer to DEMAT Account of IEPF Authority.

Any further dividend on such shares shall be credited to IEPF Account. The concerned shareholders may further note that upon credit of such shares to the said Demat Account, no claim shall lie in against the Company in respect of the shares and dividends thereof credited to the DEMAT Account of IEPF Authority.

On transfer of the dividends and shares to IEPF Authority, the shareholder may however claim the same by making an application IEPF Authority in Form IEPF-5 as per the procedure prescribed in the Rules. The procedure for the same is available at www.mca.gov.in and www.iepf.gov.in

In case the shareholders have any queries on the subject matter, please feel free to contact the Company's Registrar and Share Transfer Agent (RTA) viz., **Link Intime India Private Limited,** L.B.S. Marg, Vikhroli West, Mumbai-400083, Maharashtra, Tel: 022 49186000, Fax: 022 49186060, Email: rnt.helpdesk@linkintime.co.in or to the Company, E-mail cssl.investors@cybertech.com

**For CyberTech Systems and Software Limited**

**Sd/-**
**Sarita Leelaramani**
**Company Secretary & Compliance Officer**

CyberTech
Systems and Software Limited

CIN : L72100MH1995PLC084788


**'CyberTech House'**

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