Notes to Standalone Financial Statements for the year ended March 31, 2021

1. Corporate Information

Mindteck (India) Limited ('Mindteck' or 'the Company'), a public limited company incorporated in the year 1991, is engaged in the business of rendering engineering and IT services to customers across various industry verticals in specific service horizontals. Mindteck's core offerings are in Product Engineering, Application Software, Electronic Design, Testing and Enterprise Business services.

In the Product Engineering space, Mindteck renders Electronic Design, Firmware and Software in key vertical areas of Life Sciences and Analytical Instruments, Semiconductor Fab Equipment, Medical Instruments and in the high-end Storage Products segment. The Enterprise Business services line provides services in the areas of support and maintenance of enterprise-wide applications. Application Software services are centered around providing solutions to independent software vendors in the Banking and Financial Services Industry (BFSI) space and a broad range of services for custom Application Development, Application Management, Re-engineering, Validation and Verification across the spectrum.

The Company also provides offshore-based employee resourcing, marketing and pre-sales support and other services to its subsidiaries.

Mindteck has its registered office in Bengaluru, India and is headquartered in Bengaluru with a branch office in Kolkata and Mumbai. The software development centers in Bengaluru and Kolkata are 100% Export Oriented Units ('EOU') set up under the Software Technology Parks of India (STPI) Scheme of the Government of India.

Mindteck has subsidiaries (including step-down subsidiaries) in the United States of America, Canada, Singapore, Philippines (under closure), Malaysia, Bahrain, United Kingdom, Netherlands (closed w.e.f. January 14, 2020), Germany and India (under closure). Mindteck is listed in India on the Bombay Stock Exchange and National Stock Exchange.

These standalone financial statements for the year ended March 31, 2021 are approved by the Board of Directors on May 28, 2021.

2. Basis of Preparation and significant accounting policies:

2.1. Basis of preparation:

The standalone financial statements of the Company have been prepared and presented in accordance with accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

These standalone financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained further in the accounting policies below.

- certain financial assets and liabilities that is measured at fair value/amortized cost,
- defined benefit plans - plan assets measured at fair value,
- Employee stock option contracts – measured at grant date fair value, and
- Investment property – fair value for disclosure purpose.

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

2.2. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized in normal operating cycle or within twelve months after the reporting period,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

b. Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, the accompanying disclosures, and the disclosure of contingent assets and contingent liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and future periods are affected.

Also, refer Note 48 of the standalone financial statements.

Key source of estimation of uncertainty as at the date of standalone financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

Revenue recognition:
The Company uses the percentage of completion method in accounting for revenue from implementation and customization projects. Use of the percentage of completion method requires the Company to estimate the efforts to date as a proportion of the total efforts. Efforts have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the year in which such losses become probable based on the expected contract estimates at the reporting date.

Employee stock options plan:
The Company initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 43.

Leases:
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts. Refer Note 37.

Defined benefit plans (gratuity and other employee benefits):
The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in Note 40.

Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' – Recognition and Measurement:
The Company had entered into concession arrangement in relation to smart/IoT based parking system with government/ statutory body under Public Private Partnership model. The arrangement gives Company right to design, construct, install and maintain the smart parking system. Management has evaluated the arrangement and concluded that Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers' applies. Refer Note 5, Note 15, Note 21 and Note 44.

Fair value measurement of financial instruments:
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 46 for further disclosures.

Impairment of non-financial assets:
Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Also, refer Note 2.2(i).

Impairment of financial assets:
The Company assesses impairment of financial assets ('Financial instruments') and recognizes expected credit losses in accordance with Ind AS 109. Also, refer Note 2.2(d).

The Company assesses for impairment of investment in subsidiaries. Impairment exists when there is a diminution in value of the investment and the recoverable value of such investment is lower than the carrying value of such investment.

c. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (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.

d. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i. Financial assets:

Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four broad categories:

- Debt instruments assets at amortized cost
- Financial assets at fair value through Other Comprehensive Income/(Loss) ("OCI") (FVTOCI)
- Financial assets at fair value through Profit and Loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income/(loss) (FVTOCI)

When assets are measured at fair value, gains and losses are either recognized entirely in the standalone statement of Profit and Loss (i.e. fair value through Profit and Loss) or recognized in other comprehensive income/(loss) (i.e. fair value through other comprehensive income/(loss)).

Debt instruments at amortized cost:

A Debt instrument is measured at amortized cost (net of any write down for impairment) if both the following conditions are met:

- the asset is held to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes), and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the standalone statement of Profit and Loss. The losses arising from impairment are recognized in the standalone statement of Profit and Loss.

Financial assets at fair value through OCI (FVTOCI):

A financial asset that meets the following two conditions is measured at fair value through OCI unless the asset is designated at fair value through Profit and Loss under fair value option.

- The financial asset is held both to collect contractual cash flows and to sell.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at fair value through Profit and Loss ('FVTPL'):
FVTPL is a residual category for Company's investment instruments. Any instruments which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

All investments (except investment in subsidiary) included within the FVTPL category are measured at fair value with all changes recognized in the standalone statement of Profit and Loss.

In addition, the Company may elect to designate an instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency.

Derecognition:
When the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; it evaluates if and to what extent it has retained the risks and rewards of ownership.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- Based on above evaluation, either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a bases that reflect the rights and obligations that the Company has retained.

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

Impairment of financial assets:
The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial instruments') requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

ii. Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through Profit and Loss or at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, lease obligations, and other payables.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortized cost
After initial recognition, interest-bearing loans and borrowings and other payables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the standalone statement of Profit and Loss.

Derecognition:
A financial liability is derecognized 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 standalone statement of Profit and Loss.

iii. 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 recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

iv. Reclassification of financial assets:

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

e. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant if the recognition criteria are met.

Capital work in progress is stated at cost. Capital work-in-progress comprises of expenditure incurred for construction of leasehold improvements. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the plant and equipment to its working condition for the intended use and cost of replacing part of the plant and equipment.

Property, plant and equipment are eliminated from financial statements, either on disposal or when no future economic benefits are expected from its use or disposal. Losses arising in case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in standalone statement of Profit and Loss in the year of occurrence.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

f. Depreciation and amortization

Depreciation on property, plant and equipment with finite useful lives is calculated on a straight-line basis over the useful lives of the assets estimated by the management.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year and adjusted prospectively, if appropriate. The range of useful lives of the property, plant and equipment are as follows:

Property, plant and equipment	Useful lives estimated by the management (years)
Furniture and fixtures	5 years
Computer equipment	3 years
Office equipment	5 years
Vehicles	5 years

Leasehold improvements are amortized over the period of lease term or the estimated useful life of assets, whichever is shorter.

g. Investment property

i. Recognition and measurement:

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses (if any).

Initial direct costs incurred by the Company in negotiating and arranging an operating lease are added to the carrying amount of the respective Investment property and are amortized over the lease term on the same basis as the lease income.

Though the Company measures investment properties using cost-based measurement, the fair value of investment properties are disclosed in the notes (Refer Note 4). Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

ii. Depreciation:

Depreciation on investment properties is provided on the straight-line method as per the useful life estimated by the management.

The estimated useful life of building classified as an investment property is 58 years. The estimated useful life is different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the asset is likely to be used.

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern and are treated as changes in accounting estimates.

The estimated useful lives of the amortizable intangible assets are as follows:

Category	Useful life
Computer software	3 years
Service concession arrangement	10 years

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of Profit and Loss when the asset is derecognized.

i. Impairment of non-financial assets

Non-financial assets including property, plant and equipment, right of use assets and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the standalone statement of Profit and Loss.

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

j. Leases

The Company assesses at contract inception whether a contract is/ contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

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

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

The right-of-use assets are also subject to impairment. Refer Note 2.2(i) Impairment of non-financial assets.

ii. Lease liabilities:

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

During the year, there was an amendment to Ind AS 116 due to COVID related rent concessions. The amendment provides relief to the lessees in treating rent concessions arising as a direct consequence of the COVID-19 pandemic as a lease modification. The amendments are applicable for annual reporting periods beginning on or after the April 01, 2020. The amendment had an impact of Rs. 26 lakhs on the standalone financial statements.

iii. Short term leases and leases of low-value assets:
The Company applies the short-term lease recognition exemption to its short-term leased assets (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leased assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Company as a lessor:
Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

k. Equity investments in subsidiaries
Investments in subsidiaries are classified as non-current investments. The Company has availed the option available in Ind AS 27 to carry its investment in subsidiaries at cost. Impairment recognized, if any, is reduced from the carrying value.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the standalone statement of Profit and Loss.

l. Revenue recognition
i. Revenue from contracts with customers:
The Company derives its revenues from software and IT-enabled service including services provided to related parties.

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

The following specific recognition criteria must also be met before revenue is recognized:

Revenue from software services provided on a time-and-material basis is recognized upon performance of services and at the agreed contractual rates. Revenue from fixed price contracts is recognized over the period of the contracts using the percentage completion method determined by relating the actual cost incurred to date to the estimated total cost of the contract.

Revenue from implementation service under concession arrangement are recognized in line with Appendix D of Service Concession Arrangement ('SCA'), under Ind AS - 115 'Revenue from contracts with customers'.

In case of multiple element arrangements for sale of software license, related implementation and maintenance services, the Company applies the guidance in Ind AS 115, by applying the revenue recognition criteria for each distinct performance obligation. The arrangements generally meet the criteria for considering the sale of software license, related implementation and maintain services as distinct performance obligation. For allocating the consideration, the Company has measured the revenue in respect of each distinct performance obligation of a transaction at its standalone selling price, in accordance with principles given in Ind AS 115. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In cases where the Company is unable to determine the standalone selling price, the Company has used a residual method to allocate the arrangement consideration. In these cases, the balance of the consideration, after allocating the standalone selling price of undelivered components of a transaction has been allocated to the delivered components for which specific standalone selling price do not exist.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates. 'Unbilled revenue' included in the other financial assets represent revenues in excess of amounts billed to clients as at the balance sheet date. 'Unearned revenue/contract liabilities' included in the current liabilities represent billings in excess of revenues recognized.

The Company collects goods and services tax and other taxes as applicable in the respective tax jurisdictions where the Company operates, on behalf of the government and therefore it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Performance obligations and remaining performance obligations
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

ii. Other income:

Dividend income is recognized when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Interest income is recognized as it accrues in the standalone statement of Profit and Loss using effective interest rate method.

iii. Service concession arrangement (SCA):

The Company implements or upgrades infrastructure (implementation or upgrade services) used to provide the smart/IoT-based parking service and maintains that infrastructure (operation service) for a specified period of time. This arrangement may include infrastructure used in a service concession arrangement for its entire useful life.

Under Appendix D – Service Concession Arrangement to Ind AS 115 –Revenue from contracts with customers, the arrangement is accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the operator receives a right (i.e. a concessionaire) to charge users of the public service. The financial model is used when the operator has an unconditional contractual right to receive cash or other financial assets from or at the direction of the grantor for the construction/implementation service. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the operator performs more than one service (i.e. construction, implementation, upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the service delivered, when the amount are separately identifiable.

The intangible assets model recognizes the asset to the extent of cost incurred or to be incurred (including certain obligations arising out the arrangement) towards getting the right to charge users of the public service. The intangible asset is amortized over the concession period i.e. 10 years, from the date they are available for use.

An asset carried under concession arrangements is derecognized on disposal or when no future economic benefits are expected from its future use or disposal.

The Company recognizes a financial asset to the extent that it has an unconditional right to receive cash or another financial asset from or at the direction of the grantor.

Provisions for estimated losses on contracts are recorded in the period in which such losses become probable based on the current contract estimates.

m. Foreign currencies

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii. Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise except those arising from investments in non-integral operations.

The Company's standalone financial statements are presented in Rs. The Company determines the functional currency as Rs. on the basis of primary economic environment in which the entity operates.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

n. Taxes

Tax expense comprises of current and deferred tax.

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income/(loss) or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company reflects the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets 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 losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred 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 tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 relating to items recognized outside Profit and Loss is recognized outside Profit and Loss (either in OCI or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

o. Provision and contingencies

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the standalone statement of Profit and Loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

A contingent asset is disclosed, where an inflow of economic benefits is probable.

p. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss 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 equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q. Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments in form of employee stock options, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The Company measures compensation cost relating to employee stock options plans using the fair valuation method in accordance with Ind AS 102, Share-Based Payment.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using the Black Scholes valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in Stock Option Outstanding reserves in equity, over the vesting period of the option in which the performance and/or service conditions are fulfilled in a graded manner. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired (net of forfeitures) and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

r. Segment reporting

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

s. Retirement and other employee benefits

Employee benefits include contribution to provident and other funds, gratuity and compensated absences.

Defined contribution plans:

Contributions payable to recognized provident and other funds, which are defined contribution schemes, are charged to the standalone statement of profit and loss.

Defined benefit plans:

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income/(loss). In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to the standalone statement of Profit and Loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to "surplus/ (deficit) in the statement of Profit and Loss".

The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC). Provision for gratuity liabilities, pending remittance to the fund, is carried in the balance sheet.

Short-term employee benefits:

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. Compensated absences, which are expected to be utilized within the next 12 months, are treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employees render the related services are treated as long-term employee benefits for measurement purpose. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end, less the fair value of the plan assets out of which the obligations are expected to be settled. Actuarial gains/losses are immediately taken to the standalone statement of Profit and Loss and are not deferred.

The Company presents the entire compensated absences balance as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

t. Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

Standalone statement of cash flow:

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

u. Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. Final dividends on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

v. Corporate Social Responsibility (CSR) expenditure

CSR expense is recognized as it is incurred by the Company or when the Company has entered into any legal or constructive obligation for incurring such an expense.

2.3. Changes in accounting policies and disclosures

a. Ind AS 116 Leases:

Refer Note 2.2(j) and Note 37.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

3. Property, plant and equipment

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

Particulars	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Leasehold improvement	Total
Cost						
As at April 01, 2019	177	167	20	3	174	541
Additions	139	37	1	-	-	177
Disposals/Adjustments	-	(4)	-	(3)	-	(7)
As at March 31, 2020	**316**	**200**	**21**	**-**	**174**	**711**
Additions	49	4	-	-	-	53
Disposals/Adjustments	(2)	(5)	-	-	-	(7)
Transfer	4	19	1	-	4	28
As at March 31, 2021	**367**	**218**	**22**	**-**	**178**	**785**
Accumulated depreciation						
As at April 01, 2019	112	82	6	3	57	260
Charge for the year	62	35	4	-	36	137
Disposals/Adjustments	-	(3)	-	(3)	-	(6)
As at March 31, 2020	**174**	**114**	**10**	**-**	**93**	**391**
Charge for the year	86	38	4	-	39	167
Disposals/Adjustments	(1)	-	-	-	-	(1)
As at March 31, 2021	**259**	**152**	**14**	**-**	**132**	**557**
Net block as at March 31, 2020	**142**	**86**	**11**	**-**	**81**	**320**
Net block as at March 31, 2021	108	66	8	-	**46**	**228**

4. Investment property

Amount in Rs. lakhs

Particulars	Building - Asset given under operating lease
Cost	
As at April 01, 2019	**73**
Additions	-
As at March 31, 2020	**73**
Additions	-
As at March 31, 2021	**73**
Accumulated depreciation	
As at April 01, 2019	5
Charge for the year	1
As at March 31, 2020	**6**
Charge for the year	2
As at March 31, 2021	**8**
Net block as at March 31, 2020	**67**
Net block as at March 31, 2021	**65**

Information regarding income and expenditure of Investment property

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rental income derived from investment property	21	24
Less: Direct operating expenses from property that generated rental income (including repairs and maintenance)	-	-
Less: Direct operating expenses from property that did not generate rental income (including repairs and maintenance)	1	1
Profit arising from investment properties before depreciation and indirect expenses	20	**23**
Less: Depreciation	(2)	(1)
Profit arising from investment property before indirect expenses	**18**	**22**

Determination of fair values

Description of valuation techniques used and key inputs to valuation on investment properties:

Particulars	Valuation technique	Significant unobservable inputs	Range (weighted average)	
Investment properties	Market Approach		**March 31, 2021**	**March 31, 2020**
		Area of subject unit (sq. ft.)	3,001	3,001
		Adopted market rent per sq.ft. per month	53	53
		Derived unit rate (per sq.ft.)	10,700	10,500
		Estimated rental value (per sq. ft.)	Rs. 53 - 70	Rs. 53 - 70
		Discount rate	12.00%	12.00%

The fair value of investment property has been determined by independent professional valuers. The independent professional valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The independent professional valuers have considered valuation techniques including direct comparison method and discounted cash flows in arriving at the fair value as at the reporting date. These valuation methods involve certain estimates. The management has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield. The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, vacant periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.

Significant increases/(decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher/(lower) fair value of the properties. Significant incerases/(decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower/ (higher) fair value.

All resulting fair value estimates for investment properties are included in level 3. Refer Note 45.

Reconciliation of fair value

Amount in Rs. lakhs

Particulars	Amount
Opening balance as at April 01, 2019	338
Fair value differences	(23)
Closing balance as at March 31, 2020	**315**
Fair value differences	6
Closing balance as at March 31, 2021	**321**

5. Intangible assets

Amount in Rs. lakhs

Particulars	Computer software	Service concession arrangement#	Total
Cost			
As at April 01, 2019	109	1,002	1,111
Additions	20	21	41
Disposal/adjustments	-	(56)	(56)
Provision for expected losses under service concession arrangement (refer Note 33(b))	-	(48)	(48)
As at March 31, 2020	**129**	**919**	**1,048**
Additions	-	-	-
Disposals/Adjustments (refer Note 44)	-	(919)	(919)
As at March 31, 2021	**129**	**-**	**129**
Accumulated amortisation			
As at April 01, 2019	84	70	154
Charge for the year	15	97	112
As at March 31, 2020	**99**	**167**	**266**
Charge for the year	15	38	53
Disposal/adjustments (refer Note 44)	-	(205)	(205)
As at March 31, 2021	**114**	**-**	**114**
Net block as at March 31, 2020	30	**752**	**782**
Net block as at March 31, 2021	15	**-**	**15**

Refer Note 44

6. Investments - Non-current

Amount in Rs. lakhs, unless otherwise stated

Particulars	As at March 31, 2021	As at March 31, 2020
Un-quoted equity instruments, at cost **Investment in equity instruments- subsidiaries**		
13,000 (March 31, 2020: 13,000) equity shares of USD 1 par value of Mindteck Inc, USA, fully paid, net of impairment provision of Rs. 5,274 lakhs (March 31, 2020: Rs. 5,274 lakhs)	4,096	4,096
2 (March 31, 2020: 2) equity shares of USD 1 par value of Chendle Holdings Limited, fully paid, net of impairment provision of Rs. 64 lakhs (March 31, 2020: Rs. 64 lakhs)	1,890	1,890
1,310,500 (March 31, 2020: 1,310,500) equity shares of SGD 1 par value of Mindteck Singapore Pte Ltd., fully paid, net of impairment provision of Rs. 328 lakhs (March 31, 2020: Rs. 328 lakhs)	524	524
968,408 (March 31, 2020: 968,408) equity shares of GBP 1 par value of Mindteck (UK) Limited, fully paid	153	153
250,000 (March 31, 2020: 250,000) equity shares of MYR 1 par value of Mindteck Software Malaysia SDN. BHD, fully paid	33	33
500 (March 31, 2020: 500) equity shares of BHD 100 par value of Mindteck Middle East WLL, Bahrain, fully paid	18	18
99,999 (March 31, 2020: 99,999) equity shares of Rs. 10 par value of Hitech Parking Solutions Pvt. Ltd., fully paid	10	10
Total	**6,724**	**6,724**
Aggregate amount of unquoted investments in subsidiaries	**12,390**	**12,390**
Aggregate amount of impairment on investments	**(5,666)**	**(5,666)**

Also, refer Note 33(a) and 43(i).

7. Loans - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	320	308
Loan to Mindteck Employee Welfare Trust (refer Note41)	233	233
Unsecured, Credit Impaired		
Loan to Mindteck Employee Welfare Trust	168	168
Provision for impairment of loan (refer Note 33(c))	(168)	(168)
Security deposits	51	50
Provision for doubtful deposits	(51)	(50)
Total	**553**	**541**

8. Other financial assets - Non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits with bank with remaining maturity of more than 12 months*	14	11
Total	**14**	**11**

*Represents restricted bank balances of Rs. 14 lakhs (March 31, 2020: Rs. 11 lakhs). The restrictions are primarily on account of bank balances held as margin money deposits against guarantees.

9. Taxes

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (net) - Non-current	583	1,186
Income tax liabilities (net) - Current	196	117

Also, refer Note 39 for further details.

10. Other non-current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expense	13	6
Total	**13**	**6**

11. Investments - Current

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Quoted mutual funds measured at fair value through statement of profit and loss		
NIL (March 31, 2020 - 1,888.70) units in AXIS Treasury Advantage Fund - Growth	-	43
Total	**-**	**43**
Aggregate book value of quoted investments in mutual funds	**-**	**43**
Aggregate market value of quoted investments in mutual funds	**-**	**43**

12. Trade receivables - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Trade receivables from other than related parties	987	1,013
Trade receivables from related parties (refer Note 41)	964	943
Unsecured, credit impaired		
Trade receivables from other than related parties	125	87
	2,076	**2,043**
Impairment allowance (allowance for expected credit loss)		
Receivables from other than related parties, credit impaired	(125)	(87)
Total	**1,951**	**1,956**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further, there are no trade or other receivables due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

13. Cash and cash equivalents - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	1	1
Balances with banks		
in current accounts	26	1,175
in fixed deposits with original maturity for less than 3 months	398	155
	425	**1,331**
Other bank balances - Current assets		
Balances with banks		
Fixed deposits with remaining maturity less than 12 months	2,696	20
Unpaid dividend account	10	13
	2,706	**33**
Total	**3,131**	**1,364**

Cash and cash equivalents as at March 31, 2021 and March 31, 2020 include restricted cash and bank balances of Rs.173 lakhs and Rs. 33 lakhs respectively. The restrictions are primarily on account of bank balances held as margin money deposits against guarantees and balances held in unpaid dividend bank accounts.

Changes in liabilities arising from financing activities:

Particulars	As at April 01, 2020	Cash flows	New leases/Others (Refer Note 37)	As at March 31, 2021
Borrowings *	-	-	2	2
Lease liabilities	1,205	(429)	(34)	742
Total liabilities from financing activities	**1,205**	**(429)**	**(32)**	**744**

Particulars	As at April 01, 2019	Cash flows	New leases/Others (Refer Note 37)	As at March 31, 2020
Borrowings *	-	-	-	-
Lease liabilities	1,246	(455)	414	1,205
Total liabilities from financing activities	**1,246**	**(455)**	**414**	**1,205**

*Rounded-off to lakhs

14. Loans - Current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security deposits	21	19
Total	**21**	**19**

15. Other financial assets - Current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, credit impaired		
Claimable expenses	237	111
Provision for expected losses under service concession arrangement (refer Note 33(b) and 44)	(237)	(111)
Unsecured, considered good		
Claimable expenses	69	11
Recoverable from related parties (refer Note 41)	152	146
Unbilled revenue	810	698
Accrued interest	20	2
Employee advances	13	41
Total	**1,064**	**898**
Break up of financial assets carried at amortized cost:		
Security deposits (non-current) (Note 7)	320	308
Advances to related party (non-current) (Note 7)	233	233
Fixed deposits with bank with remaining maturity of more than 12 months (non-current) (Note 8)	14	11
Trade receivables (current) (Note 12)	1,951	1,956
Cash and cash equivalents (current) (Note 13)	425	1,331
Other bank balances (current) (Note 13)	2,706	33
Security deposits (current) (Note 14)	21	19
Claimable expenses (current) (Note 15)	69	11
Recoverable from related parties (current) (Note 15)	152	146
Unbilled revenue (current) (Note 15)	810	698
Accrued interest (current) (Note 15)	20	2
Employee advances (current) (Note 15)	13	41
Total	**6,734**	**4,789**

16. Other current assets

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advances recoverable in cash or kind	15	33
Balances with government authorities *	459	455
Less: Provision for doubtful input credit receivable	(251)	(259)
Net balance with government authorities	**208**	**196**
Prepaid expenses	111	126
Total	**334**	**355**

* Represents amount of service tax input credit receivable and goods and services tax input credit receivable

17. Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised capital		
Equity shares		
28,000,000 (March 31, 2020: 28,000,000) equity shares of Rs. 10 each	2,800	2,800
Preference shares		
500,000 (March 31, 2020: 500,000) cumulative, non-convertible, redeemable preference shares of Rs. 100 each	500	500
Issued, subscribed and paid-up share capital		
25,621,898 (March 31, 2020: 25,621,898) equity shares of Rs. 10 each	2,562	2,562
	2,562	**2,562**

Notes:

a. Mindteck Employees Welfare Trust ('Trust')

Issued equity shares includes 416,000 equity shares issued to Trust.

b. On April 01, 2008, the Company acquired 100% equity in its fellow subsidiary Chendle Holdings Limited, BVI ('Chendle Holdings') including its wholly owned subsidiary Primetech Solutions Inc., USA at an agreed valuation of USD 6,600,000 (approximately Rs 264,664,741) and the purchase consideration was agreed to be settled by a fresh issue of the equity shares of the Company to the shareholders of Chendle Holdings. The issue of equity shares to discharge the purchase consideration has been recorded at a price of Rs 73.54 per equity share, being the fair value of the equity shares issued as per the valuation carried out by the independent valuer.

Of the total purchase consideration payable, 38,579 equity shares (March 31, 2020: 38,579 equity shares) have been reserved for allotment to certain shareholders of Chendle Holdings, subject to the furnishing of Permanent Account Number ('PAN') and other requirements by these shareholders. The submission of PAN is a pre-requisite to complete the allotment of shares. The Company is in the process of following up with the shareholders of Chendle Holdings to obtain the PAN and upon receiving the PAN, the Company would allot the remaining shares to these shareholders.

c. Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year is as given below:

	As at March 31, 2021		As at March 31, 2020	
Particulars	No. of shares	Amount (Rs. in Lakhs)	No. of shares	Amount (Rs. in Lakhs)
Outstanding at the beginning of the year	2,56,21,898	2,562	2,56,21,898	2,562
Changes during the year	-	-	-	-
Outstanding at the end of the year	**2,56,21,898**	**2,562**	**2,56,21,898**	**2,562**

d. Terms/rights attached to equity and preference shares

The Company has two class of shares referred to as equity shares having a par value of Rs 10 and cumulative, non-convertible, redeemable preference shares having a par value of Rs 100. Each holder of the equity share, as reflected in the records of the Company as of the date of the shareholders meeting, is entitled to one vote in respect of each share held for all matters submitted to vote in the shareholders meeting.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company after distribution of all preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

e. Equity shares held by holding company and subsidiary of holding company is given below:

	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	16,431,604	64.13%	16,431,604	64.13%

f. Equity shareholders holding more than 5 percent shares in the Company:

	As at March 31, 2021		As at March 31, 2020	
Name of the shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Embtech Holdings Limited	1,64,31,604	64.13%	1,64,31,604	64.13%
First Asian Investments S.A	13,90,569	5.43%	13,90,569	5.43%

g. The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

h. Shares reserved for issue

Terms attached to stock options granted to employees are described in Note 43 on share based payments. Also, refer Note 17(b) above.

18. Other Equity

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	357	357
Securities premium	10,518	10,518
Retained earnings	(554)	(1,429)
Other component of equity (Share application money pending allotment)	28	28
Employee stock option reserve account	147	153
Total	**10,496**	**9,627**

Refer Statement of Changes in Equity for movement.

Notes:

i. Capital reserve

The Company has created capital reserve in the earlier years.

ii. Securities premium

Security premium is used to record the premium received on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

iii. Employee stock option reserve account

The Company has established various equity settled share based payment plans for certain categories of employees of the Company and subsidiaries. Refer Note 43 for further details on these plans.

iv. Distribution made and proposed

Particulars	As at March 31, 2021	As at March 31, 2020
Cash dividends on equity shares declared and paid		
Final dividend	-	256
Dividend distribution tax (DDT)	-	53
Total	**-**	**309**

Particulars	As at March 31, 2021	As at March 31, 2020
Dividend		
Final dividend	-	-
Dividend distribution tax	-	-
Total	**-**	**-**

19. Other non-current financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Rental deposit	16	16
Total	**16**	**16**

20. Other non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred lease rental income	7	7
Total	**7**	**7**

21. Provision - Non-current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (refer Note 40)	310	265
Provision towards obligation under service concession arrangements (refer Note 44)	-	630
Total	**310**	**895**

The table below gives the information about movement in provision towards obligation under service concession arrangments:

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	**680**	771
Reversal due to termination of sites	(670)	(56)
Finance costs	22	60
Other adjustments (including claimable expenses)	(32)	(95)
At the end of the year	**-**	**680**
Current	-	50
Non-current	-	630

22. Borrowings - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Loan repayable on demand from banks (Secured)		
Bank overdraft*	2	-
Total	**2**	**-**

*Rounded-off to lakhs

Note: Bank overdraft carry interest of 10.85 percent per annum, computed on a monthly basis on the actual amount utilized and/or repayable on demand. The bank overdraft is secured by way of first and exclusive charge in all present and future book debts which are lesser than 90 days.

23. Trade payables - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to micro and small enterprises (refer note below)	39	40
Payable to related parties (refer Note 41)	252	323
Payable to other than related parties	455	442
Total	**746**	**805**

Terms and conditions of the above financial liabilities
- trade payables are non-interest bearing and are normally settled on 30 - 45 days terms.
- for explanations on the Company's credit risk management, refer to Note 46.

The dues to Micro and Small enterprises as defined in "The Micro, Small & Medium Enterprises Development Act, 2006" are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year.	39	40
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	-	-

24. Other financial liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend	10	13
Employee related liabilities	106	43
Total	**116**	**56**
Break up of financial liabilities carried at amortized cost:		
Lease liabilities (non-current) (Note 37)	334	793
Rental deposit (non-current) (Note 19)	16	16
Borrowings (current) (Note 22)	2	-
Trade payables (current) (Note 23)	746	805
Lease liabilities (current) (Note 37)	408	412
Unpaid dividend (current) (Note 24)	10	13
Employee related liabilities (current) (Note 24)	**106**	**43**
Total	**1,622**	**2,082**

25. Provisions - Current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for gratuity (refer Note 40)	68	58
Provision for compensated absences	143	115
Provision towards obligation under service concession arrangements (refer Note 44)	-	50
Total	**211**	**223**

26. Other current liabilities

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unearned income	147	3
Capital creditors	-	8
Statutory dues	181	118
Total	**328**	**129**

27. Revenue from contracts with customers

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Sale of services	10,398	9,231
Total	**10,398**	**9,231**

a. Disaggregated revenue information

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Revenue by contract type		
Fixed price	1,057	648
Time and material	9,341	8,583
Total	**10,398**	**9,231**

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Timing of revenue recognition		
Services transferred at a point in time	-	-
Services transferred over time	10,398	9,231
Total	**10,398**	**9,231**

b. Contract balances & performance obligations

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	1,951	1,956
Unbilled revenue	810	698
Unearned income	147	3

c. Set out below is the amount of revenue recognised from

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Amounts included in contract liabilities at the beginning of the year	3	40

d. Remaining performance obligation

As the duration of the contracts for customer and enterprise platform is less than one year, the Company has opted for practical expedient and decided not to disclose the amount of the remaining performance obligations.

28. Other income

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Finance income (includes interest income on deposits for year ended March 31, 2021: Rs. 126 lakhs; March 31, 2020: Rs. 13 lakhs)	203	34
Rental income	21	24
Fair value gain on mutual fund at fair value through profit or loss	-	23
Foreign exchange gain, net	-	60
Gain on sale of investments in mutual funds, net	-	23
Gain on sale of assets	-	5
Other non-operating income	59	15
Total	**283**	**184**

29. Employee benefit expenses

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Salaries and wages	6,552	6,165
Contribution to provident and other funds	263	249
Gratuity (refer Note 40)	93	77
Share-based payment expense (refer Note 43)	7	(19)
Staff welfare expenses	166	152
Total	**7,081**	**6,624**

30. Finance costs

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense and bank charges	8	5
Interest expense on lease liabilities (refer Note 37)	100	122
Interest expense on service concession arrangements (refer Note 21)	22	60
Total	**130**	**187**

31. Depreciation and amortisation expense

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	167	137
Depreciation of right-of-use assets (refer Note 37)	362	365
Depreciation of investment property	2	1
Amortisation of intangible assets	53	112
Total	**584**	**615**

32. Other expenses

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rent	4	7
Hiring charges	6	65
Directors sitting fees	48	46
Travel expenses	23	231
Foreign exchange loss, net	3	-
Power and fuel	98	153
Communication expenses	58	63
Professional charges	356	117
Repairs and maintenance		
-Buildings	1	1
-Others	125	142
Project supply and services	248	333
Rates and taxes	50	25
Insurance	26	21
Remuneration to auditors (refer Note 35)	44	42
Membership and subscription	35	45
Printing and stationery	5	17
Recruitment expenses	60	63
Provision for doubtful debts (net) and loss allowance	38	12
Contribution towards corporate social responsibility (refer Note 38)	-	15
Bad debts written off	10	-
Provision for doubtful input credit receivable	-	180
Miscellaneous expenses	18	81
Total	**1,256**	**1,659**

33. Exceptional Items

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Provision for impairment of investment in subsidiaries	-	(5,666)
Provision for expected losses under service concession arrangement	-	(159)
Provision for impairment of loan	-	(168)
Total	**-**	**(5,993)**

a. During the year ended March 31, 2020, as a part of impairment evaluation and considering the COVID-19 pandemic, impairment assessments were carried out in respect of investment in subsidiaries and basis valuation carried out by an external valuation expert, an impairment of Rs. 5,666 lakhs towards carrying value of investment in certain subsidiaries was recorded. Also, refer Note 6.

b. During the year ended March 31, 2020, the management had reassessed recoverability of investment in assets and amounts receivables from Bhopal Municipal Corporation (BMC) as at March 31, 2020 and created provision amounting to Rs. 159 lakhs.

c. Mindteck Employee Welfare Trust (MEWT) was created to administer the Employee Share Incentive Scheme 2000 for the benefit of its employees. For this purpose, the MEWT had borrowed funds from the Company and subscribed to 416,000 equity shares renounced in its favour by the Company's promoters/directors in the Company's earlier rights issue. During the year ended March 31, 2020, due to significant difference in the purchase price of these shares and average prevailing share price, the Company had made a provision of Rs. 168 lakhs. Also, refer Note 7.

34. Contingent liabilities and commitments

Amount in Rs. lakhs

(A) Particulars	As at March 31, 2021	As at March 31, 2020
(i) Income tax matters: The Company is involved in certain tax disputes pertaining to transfer pricing and other adjustments which are pending at various forums. Management is confident that the Company has a good case to defend and such cases are not tenable and no liability is expected in this regard.		
(a) in relation to AY: 2006-07, AY: 2012-13, AY: 2016-17, AY: 2017-18 and AY 2018-19	463	-
(b) in relation to AY: 2006-07, AY: 2010-11 and AY 2016-17	-	518
(ii) Company has utilised bank guarantee facilities against the bank guarantees provided to Customers, Customs and Excise Departments for Software Technology Park of India (STPI) bonding facilities.	249	236

(B) During the year ended March 31, 2020, the Company had accrued provision for material foreseable losses for a long term contract with respect to a customer. The Company had assessed the balance revenue amounting to Rs. 72 lakhs and balance costs to be accrued amounting to Rs. 125 lakhs for the commitment period, thereby recording provision amounting to Rs. 53 lakhs included in 'Other expenses'.

35. Auditors' remuneration

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fees	32	32
Tax audit fees	1	1
Other certification services	5	3
Reimbursement of expenses	6	6
Total	**44**	**42**

36. Earnings/(Loss) per share

Basic earnings/ (loss) per share (EPS) amounts are calculated by dividing the profit/ (loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table sets forth the computation of basic and diluted earnings per share:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net profit/(loss) for the year attributable to equity shareholders	853	(5,924)
Weighted average number of equity shares of Rs 10 each used for calculation of basic earnings per share (A)	2,56,21,898	2,56,21,898
Earnings/(loss) per share, basic (in Rs.)	3.33	(23.12)
Effect of dilutive potential shares		
- Employee stock options	939	2,985
- Equity shares reserved for issuance	38,579	38,579
Total no. of dilutive potential shares (B)	39,518	41,564
Weighted average number of equity shares outstanding during the year for calculation of diluted earnings per share (A+B) *	2,56,61,416	2,56,63,462
Earnings/(loss) per share, diluted (in Rs.)	3.32	(23.12)

* The above potentional shares are anti-dilutive in nature for the year ended March 31, 2020 and accordingly was not considered for the purpose of calculation of diluted EPS.

37. Leases

Company as a lessee

During the year ended March 31, 2021, the Company has vacated the existing office premises and have accordingly issued a notice to current lessor to this effect. Consequently, in accordance with Ind AS 116 – Leases, the Company has derecognized the amortized value of existing right-of-use asset of Rs. 109 lakhs and lease liability of Rs. 123 lakhs determined till the completion of notice period and vacation of existing premises and has recognized a net gain of Rs. 14 lakhs as 'Other non operating income'.

Effective April 01, 2020, there was an amendment to Ind AS 116 - Leases. The amendment provides relief to the lessees in treating rent concessions arising as a direct consequence of the COVID-19 pandemic as a lease modification. The Company has applied the practical expedient as per Ind AS 116 – Leases. The impact of such rent concession was Rs. 26 lakhs under lease liabilities for the year ended March 31, 2021.

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

Amount in Rs. lakhs

Particulars	Buildings
Gross carrying value	
As at April 1, 2019	**1,111**
Additions during the year	310
Disposals during the year	-
As at March 31, 2020	**1,421**
Additions during the year	**15**
Disposals during the year	**(183)**
As at March 31, 2021	**1,253**
Depreciation	
Charge for the year	365
Disposals	-
As at March 31, 2020	**365**
Charge for the year	**362**
Disposals	**(74)**
As at March 31, 2021	**653**
Net block As at March 31, 2020	**1,056**
Net block As at March 31, 2021	**600**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	1,205	1,246
Additions	15	292
Interest on lease liabilities	100	122
Rent concession received during the year	(26)	-
Write off on termination of contract	(123)	-
Payments	(429)	(455)
Balance at the end of the year	**742**	**1,205**
Current	408	412
Non-current	334	793

The effective interest rate for lease liabilities is 9.65% with maturity between 2022-2024. The maturity analysis of lease liabilities are disclosed in Note 46.

The following are the amounts recognised in profit or loss: Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Other non-operating income	(43)	-
Depreciation expense of right-of-use assets	362	365
Interest expense on lease liabilities	100	122
Expense relating to short-term leases (included in other expenses)	4	7
Total	**423**	**494**

During the year ended March 31, 2021, the Company had total cash outflows for leases of Rs. 429 lakhs (March 31, 2020: Rs. 456 lakhs). The Company also had non-cash additions to right-of-use assets of Rs. 15 lakhs (March 31, 2020: Rs. 310 lakhs) and lease liabilities of Rs. 15 lakhs (March 31, 2020: Rs. 292 lakhs). There are no future cash outflows relating to leases that have not yet commenced.

The maturity analysis of undiscounted lease liabilities are as follows: Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Within 5 years	756	1,391
More than 5 years	-	-
Total	**756**	**1,391**

38. Expenditure on corporate social responsibility activities

Amount in Rs. lakhs

Particulars		Year ended March 31, 2021*	Year ended March 31, 2020
a. Gross amount required to be spent by the Company during the year		-	15
b. Amount spent during the year ending on March 31, 2021:	In cash	Yet to be paid in cash	Total
i) construction/acquisition of any asset	-	-	-
ii) on the purposes other than (i) above	-	-	-
c. Amount spent during the year ending on March 31, 2020:	In cash	Yet to be paid in cash	Total
i) construction/acquistion of any asset	-	-	-
ii) on the purpose other than (i) above	15	-	15

* As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. During the year ended March 31, 2021, considering losses incurred in immediately preceding year, the Company does not have the obligation to incur expenses in relation to CSR.

39. Income tax

Income tax expense in the statement of profit and loss consists of: Amount in Rs. lakhs

Statement of profit or loss	Year ended March 31, 2021	Year ended March 31, 2020
Current tax	467	114
Deferred tax charge/(credit)	(125)	(71)
Income tax expense related to current year	342	**43**
Tax relating to earlier years	202	-
Income tax expense reported in the statement of profit and loss	**544**	**43**
Income tax recognised in other comprehensive income/(loss)		
- Tax arising on income and expense recognised in other comprehensive income/(loss)	(3)	1
Total	**(3)**	**1**

The reconciliation between the provision of income tax of the Company and amounts computed by applying the Indian income tax rate to profit before taxes is as follows:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before tax	1,397	(5,881)
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense/(credit)	352	(1,480)
Effect of:		
Tax effect on changes in enacted tax rate to 25.17%	-	19
Deferred tax asset not recognised due to uncertainty of related future taxable profits	-	1,426
Non-deductible expenses for tax purpose	22	66
Tax relating to earlier years	202	-
Others	(32)	12
Total income tax expense	**544**	**43**

Deferred tax

Deferred tax relates to the following:

Amount in Rs. lakhs

Particulars	Balance sheet		Statement of profit and loss and other comprehensive income/(loss)	
	As at March 31, 2021	As at March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Property, plant and equipment and intangible assets	77	(130)	207	58
Provision for doubtful debts, loss allowance and deposits	48	45	3	1
Compensated absences	36	29	7	3
Gratuity	95	81	14	13
Others	180	289	(109)	37
Net deferred tax assets (net)	**436**	**314**		
Net Deferred tax credit/(charge)			**122**	**112**

40. Employee benefits

A. Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure @15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the funded status of the gratuity plan and the amount recognized in the Company's financial statements as at and for the year ended March 31, 2021 and March 31, 2020:

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Change in benefit obligations		
Benefit obligations at the beginning	326	284
Service cost	65	55
Interest expense	24	22
Actuarial loss/(gain) due to change in financial assumptions	3	12
Actuarial loss/(gain) due to experience adjustments	(17)	(11)
Benefits paid	(21)	(36)
Benefit obligations at the end	**380**	**326**
Change in plan assets		
Fair value of plan assets at the beginning	3	39
Contribution	26	2
Interest income	2	4
Administration expenses	(6)	(4)
Return on plan assets excluding amounts included in interest income	(2)	(2)
Benefits paid	(21)	(36)
Fair value of plan assets at the end	**2**	**3**
Reconciliation of fair value of assets and defined benefit obligations		
Present value of obligation as at the end of the year	380	326
Fair value of plan assets as at the end of the year	2	3
Amount recognised in the Balance Sheet	**378**	**323**
Current	68	58
Non-current	310	265

	Year ended March 31, 2021	Year ended March 31, 2020
Expense recognised in profit or loss		
Current service cost	65	55
Interest expense	24	22
Interest income	(2)	(4)
Administrative expenses	6	4
	93	**77**
Remeasurement gain/(loss) recognised in other comprehensive income/(loss)		
Actuarial (loss)/gain due to change in financial assumptions	(3)	(12)
Actuarial (loss)/gain due to experience adjustments	17	11
Return on plan assets excluding amounts included in interest income	(2)	(2)
	12	**(3)**

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Five year pay-outs		
Year 1	70	61
Year 2	55	47
Year 3	58	45
Year 4	50	46
Year 5	44	40
After 5th Year	244	213
Actuarial assumptions		
Discount rate	6.30%	6.40%
Salary growth rate	7.00%	7.00%
Attrition rate	20.00%	20.00%
Retirement age	58 years	58 years

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Amount in Rs. lakhs

	Year ended March 31, 2021		Year ended March 31, 2020	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	(16)	17	(14)	15
Salary growth rate (1% movement)	19	(17)	16	(15)
Attrition rate (10% movement)	(6)	6	(5)	5

The Company's Gratuity Fund is managed by Life Insurance Corporation of India (LIC). The plan assets under the fund are deposited under approved securities.

The expected rate of return on assets is based on the expectation of the average long term rate of return on investment of the fund, during the estimated term of obligation.

The expected contribution in next year is Rs. 68 lakhs (March 31, 2020: Rs. 58 lakhs).

The obligations are measured at the present value of estimated future cash flows by using a discount rate that is determined with reference to the market yields at the Balance Sheet date on Government Bonds which is consistent with the estimated terms of the obligation.

The estimate of future salary increase, considered in the actuarial valuation, takes account of inflation, security, promotion and other relevant factors such as supply and demand in the employment market.

B. Contribution to Provident Fund

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs. 263 lakhs (March 31, 2020: Rs. 248 lakhs).

41. Related party disclosures

(i) Names of related parties and description of relationship:

A. Enterprises who exercise Control

Transcompany Ltd., British Virgin Islands (BVI) - Ultimate holding company

Embtech Holdings Ltd., Mauritius - Holding company

B. Enterprises where control exists - Subsidiaries (including step down subsidiaries)

Mindteck, Inc., USA (formerly Infotech Consulting Inc.)

Mindteck Software Malaysia SDN. BHD, Malaysia

Mindteck Middle East Limited WLL, Kingdom of Bahrain

Mindteck (UK) Limited, United Kingdom

Mindteck Singapore Pte. Limited, Singapore

Mindteck Solutions Philippines Inc. (under closure)

Mindteck Netherlands BV, Netherlands (closed w.e.f. January 14, 2020)

Mindteck Germany GmbH, Germany

Chendle Holdings Ltd, BVI

Mindteck Canada, Inc., Canada

Hitech Parking Solutions Private Limited (under closure)

C. Enterprises where control exists - Other than subsidiaries

Mindteck Employees Welfare Trust

D. Enterprises in which relative of an Independent Director is a Partner

CounsePro

E. Key management personnel

Meenaz Dhanani	Non-Executive Director
Anand Balakrishnan	Managing Director and Chief Executive Officer (Appointed as an Additional Director w.e.f. February 14, 2020 and was elevated to the position of Managing Director & Chief Executive Officer w.e.f. March 01, 2020) Chief Financial Officer (Appointed as an Interim CFO w.e.f. August 13, 2019 and ceased to be Interim CFO w.e.f. March 01, 2020)
Sanjeev Kathpalia	Non-Executive Director (Ceased to be Managing Director and Chief Executive Officer w.e.f. March 01, 2020 and continued to remain on the Board as a Non-Executive Director. Subsequently, resigned with effect from March 12, 2020)
Jagdish Malkani	Independent Director
Guhan Subramaniam	Independent Director
Prochie Mukherji	Independent Director
Satish Menon	Independent Director
Subhash Bhushan Dhar	Independent Director
Yusuf Lanewala	Chairman
Ramachandra Magadi	Chief Financial Officer (Appointed as the Chief Financial Officer w.e.f. March 01, 2020)
Prashanth Idgunji	Chief Financial Officer (Resigned with effect from July 29, 2019)
Shivarama Adiga S.	Company Secretary

(ii) Related party transactions:

Amount in Rs. lakhs

	Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
a.	**Income from software and IT-enabled services:**		
	Mindteck, Inc.	4,787	3,883
	Mindteck (UK) Limited	1,520	1,366
	Mindteck Singapore Pte. Limited	345	187
	Mindteck Middle East Limited WLL	-	11
	Mindteck Software Malaysia SDN. BHD	101	105
	Mindteck Germany GmbH	60	95
	Total	**6,813**	**5,647**
b.	**Cost of technical sub-contractors:**		
	Mindteck, Inc.	43	80
	Mindteck Singapore Pte. Limited	13	5
	Total	**56**	**85**
c.	**Professional charges:**		
	CounsePro	26	1
	Total	**26**	**1**
d.	**Recovery of expenses from:**		
	Mindteck, Inc.	89	209
	Mindteck (UK) Limited	58	76
	Mindteck Singapore Pte. Limited	31	37
	Mindteck Middle East Limited WLL	40	7
	Mindteck Software Malaysia SDN. BHD	3	13
	Mindteck Germany GmbH	-	11
	Total	**221**	**353**
e.	**Reimbursement of expenses to:**		
	Mindteck, Inc.	201	108
	Mindteck (UK) Limited	4	-
	Mindteck Singapore Pte. Limited	69	46
	Mindteck Germany GmbH	1	-
	Mindteck Software Malaysia SDN. BHD	-	2
	Total	**275**	**156**
f.	**Provision for impairment of investment in subsidiaries:**		
	Mindteck, Inc.	-	5,274
	Mindteck Singapore Pte. Limited	-	328
	Chendle Holdings Ltd	-	64
	Total	**-**	**5,666**
g.	**Provision for impairment of loan:**		
	Mindteck Employees Welfare Trust	-	168
	Total	**-**	168
h.	**Transactions with the key management persons for the year ended are as follows:**		
	Compensation of key management personnel of the Company #		
	Short-term employee benefits*	241	276
	Share-based payment transactions	7	(32)
	Benefits paid to Non-executive directors/independent directors	48	46
	Total	**296**	**290**

For the year ended March 31, 2020 includes Rs. 12 lakhs paid to Managing Director and Chief Executive Officer which has been approved by the Board vide meeting dated February 14, 2020, subject to shareholder's approval. Such approval was received on August 14, 2020.

* The remuneration to the key managerial personnel does not include the provision/ accruals made on best estimate basis as they are determined for the Company as a whole.

i. Refer to Note 43(i) for grant of stock options to employees of the subsidiary companies.

(iii) Amounts outstanding as at balance sheet date:

Amount in Rs. lakhs

	Particulars	As at March 31, 2021	As at March 31, 2020
a.	**Amounts receivable:**		
	Mindteck, Inc.	145	407
	Mindteck (UK) Limited	371	143
	Mindteck Singapore Pte. Limited	16	9
	Mindteck Software Malaysia SDN. BHD	(3)	4
	Mindteck Middle East Limited WLL	-	10
	Mindteck Germany GmbH	436	370
	Total	**965**	**943**
b.	**Financial assets - loans:**		
	Mindteck, Inc.	55	64
	Mindteck (UK) Limited	7	9
	Mindteck Singapore Pte. Limited	25	25
	Mindteck Middle East Limited WLL	20	4
	Mindteck Germany GmbH	44	44
	Total	**151**	**146**
c.	**Unbilled revenue:**		
	Mindteck, Inc.	393	266
	Mindteck (UK) Limited	9	101
	Mindteck Singapore Pte. Limited	64	30
	Mindteck Software Malaysia SDN. BHD	11	7
	Mindteck Germany GmbH	6	6
	Total	**483**	**410**
d.	**Amounts payable:**		
	Mindteck, Inc.	201	305
	Mindteck (UK) Limited	4	-
	Mindteck Singapore Pte. Limited	37	16
	Mindteck Germany GmbH	1	-
	Mindteck Software Malaysia SDN. BHD	-	2
	Total	**243**	**323**
e.	**Unearned revenue:**		
	Mindteck, Inc.	119	-
	Total	**119**	**-**
f.	**Claimable expenses:**		
	Mindteck Middle East Limited WLL	1	-
	Total	**1**	**-**
g.	**Loans and advances:**		
	Mindteck Employees Welfare Trust (refer Note 33(c))	233	233
	Total	**233**	**233**

42. Segment information

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial statements.

43. Employee stock options

As at March 31, 2021, the Company has the following share-based payment arrangements

a. Employee Share Incentive Scheme 2000

The Company has an Employee Share Incentive Scheme 2000 ('ESIS 2000') for the benefit of its employees administered through the Mindteck Employees Welfare Trust ('The Trust'). The Trust, which was constituted for this purpose, subscribed to 416,000 equity shares renounced in its favour by the Company's promoters/directors in the Company's earlier rights issue. These shares are to be distributed amongst the employees, based on the recommendations made by the Company's Nomination & Remuneration Committee. No equity shares have been distributed under the ESIS 2000 and therefore, no stock compensation expense has been recorded. The above Scheme has been replaced by Mindteck Employee Stock Option Scheme 2020.

b. Mindteck Employee Stock Option Scheme 2005 (ESOP 2005)

During the year ended March 31, 2006, the Company introduced the 'Mindteck Employees Option Scheme 2005' (‘the Option Scheme 2005’) for the benefit of the employees of the Company and its subsidiaries, as approved by the Board of Directors in its meeting held on July 04, 2005 and the shareholders meeting held on July 29, 2005. The Option Scheme 2005 provides for the creation and issue of 500,000 options that would eventually convert into equity shares of Rs 10 each in the hands of the employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Compensation Committee of the Board of Directors. The options vest annually in a graded manner over a three year period and are exercisable during a maximum period of 5 years from the date of vesting.

During the year ended March 31, 2021, the Company has not granted any options.

During the year ended March 31, 2020, the Company has granted 50,000 options on August 13, 2019 at an exercise price of Rs. 36.40 per share.

c. **Mindteck Employee Stock Option Scheme 2008 (ESOP 2008)**
During the year ended March 31, 2009, the Company introduced ‘Mindteck Employees Stock Option Scheme 2008’ (‘the Option Scheme 2008’) for the benefit of the employees of the Company and its subsidiaries, as approved by the Board of Directors in its meeting held on May 27, 2008 and the shareholders meeting held on July 30, 2008. The Option Scheme 2008 provides for the creation and issue of 1,200,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination & Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination & Remuneration Committee.

During the year ended March 31, 2021 and March 31, 2020, the Company has not granted any options.

d. **Mindteck Employee Stock Option Scheme 2014 (ESOP 2014)**
During the year ended March 31, 2015, the Company introduced ‘Mindteck Employees Stock Option Scheme 2014’ (‘the Option Scheme 2014’) for the benefit of the employees of the Company and its subsidiaries, as approved by the Board of Directors in its meeting held on May 29, 2014 and the shareholders meeting held on August 14, 2014. The Option Scheme 2014 provides for the creation and issue of 2,500,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the employees. The options are to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The options will vest after the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2021 and March 31, 2020, the Company has not granted any options.

e. **Mindteck Employee Stock Option Scheme 2020 (ESOP 2020)**
During the year ended March 31, 2021, the Company introduced ‘Mindteck Employees Stock Option Scheme 2020’ (‘the Option Scheme 2020’) for the benefit of its employees administered through the Mindteck Employees Welfare Trust (‘The Trust’) in lieu of Company’s earlier Employee Share Incentive Scheme 2000. The Trust, which was constituted for this purpose, subscribed to 416,000 equity shares renounced in its favour by the Company’s promoters/directors in the Company’s earlier rights issue. The Scheme was approved by the Board of Directors in its meeting held on December 11, 2020 and by the shareholders through postal ballot held on January 17, 2021. The Option Scheme 2020 provides for the issue of 416,000 options that would eventually convert into equity shares of Rs. 10 each in the hands of the employees. The options are to yet to be granted to the eligible employees at the discretion of and at the exercise price determined by the Nomination and Remuneration Committee of the Board of Directors. The option Scheme 2020 shall provide a minimum vesting period of one year from the grant date. The options will vest after as per the expiry of a period of twelve months from the date on which the options are granted. The vesting term and the period over which the options are exercisable is to shall be decided by the Nomination and Remuneration Committee.

During the year ended March 31, 2021, the Company has not granted any options.

f. Employees' Stock Options details as on the balance sheet date are:

Particulars	2020-21 Option (no.)	2020-21 Weighted average exercise price per stock option (Rs.)	2019-20 Option (no.)	2019-20 Weighted average exercise price per stock option (Rs.)
Options outstanding at the beginning of the year				
ESOP 2005	1,39,500	56.05	1,22,600	67.10
ESOP 2008	3,29,719	77.64	6,14,419	69.90
ESOP 2014	1,00,000	34.70	6,00,000	73.51
Options granted during the year				
ESOP 2005	-	-	50,000	36.40
ESOP 2008	-	-	-	-
ESOP 2014	-	-	-	-
Forfeited, cancelled, surrendered or lapsed during the year				
ESOP 2005	33,400	61.56	33,100	67.27
ESOP 2008	31,268	60.09	2,84,700	60.08
ESOP 2014	-	-	5,00,000	79.70
Exercised during the year on exercise of employee stock options/restricted shares+				
ESOP 2005	-	-	-	-
ESOP 2008	-	-	-	-
ESOP 2014	-	-	-	-
Options outstanding at the end of the year				
ESOP 2005	1,06,100	54.32	1,39,500	56.05
ESOP 2008	2,98,451	79.48	3,29,719	77.64
ESOP 2014	1,00,000	34.70	1,00,000	34.70
Options exercisable at the end of the year				
ESOP 2005	71,167	62.69	76,700	67.62
ESOP 2008	2,98,451	79.48	3,28,119	77.66
ESOP 2014	66,667	34.70	33,333	34.70

g. Details of Weighted average remaining contractual life and range of exercise prices for the options outstanding at the balance sheet date

Particulars	Weighted average remaining contractual life (years)*		Range of exercise prices		Fair value of options granted during the year	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
ESOP 2005	2.26	3.10	13.55 - 92.10	13.55 - 92.10	-	14.88
ESOP 2008	1.53	2.21	43.60 - 130.80	43.60 - 130.80	-	-
ESOP 2014	4.91	5.91	34.70 - 34.70	34.70 - 34.70	-	-

* considering vesting and exercise period

h. Fair value methodology

The following table list the inputs to the models used for the three plans for the year ended March 31, 2021 and March 31, 2020, respectively:

Particulars	March 31, 2021 ESOP 2005	March 31, 2021 ESOP 2008	March 31, 2021 ESOP 2014	March 31, 2020 ESOP 2005	March 31, 2020 ESOP 2008	March 31, 2020 ESOP 2014
Risk-free interest rate	-	-	-	48.57%	-	-
Expected volatility of share	-	-	-	7.52%	-	-
Expected dividend yield	-	-	-	2.07%	-	-
Expected life (years)	-	-	-	4.50	-	-
Model used	-	-	-	Black scholes	-	-

The expected life of stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. However, no options have been granted during the year ended March 31, 2021.

i. The expense recognised for employee services received during the year is shown in the following table:

Amount in Rs. lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Expense arising from equity-settled share-based payment	7	(19)
Total expense arising from share-based payment	**7**	**(19)**

Further, as a part of the above schemes, stock options are also granted to employees of the subsidiaries of the Company. Below is the entity-wise break-up of expenses:

Particulars	As at March 31, 2021	As at March 31, 2020
Mindteck, Inc. USA	-	5
Total	**-**	**5**

Accordingly, Rs. NIL (March 31, 2020: Rs. 5 lakhs) is treated as investments made in subsidiaries. Refer Note 6.

44. Service concession arrangement (SCA)

a. Significant terms of Service concession arrangement are provided below:

Particulars	Authorisation agreement signed with Municipal Corporation Bhopal ("MCB")
Nature of the asset recognised under SCA accounting	Intangible assets
Carrying value	Rs. NIL (March 31, 2020 : Rs. 752 lakhs)
Year when SCA granted	FY 2017-18
Concession period	10 years
Extension of concession period	Not applicable
Work in progress - status	Phase 1 completed & Phase 2 partially completed (March 31, 2020 : Phase 1 completed & Phase 2 partially completed)
Brief description of concession	The Company has been awarded a contract under Public Private Partnership on July 26, 2017 with Municipal Corporation of Bhopal (MCB) for designing, implementation/ construction, installation, financing, and maintenance of Smart Parking System (SPS).

b. Intangible asset under SCA

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	752	932
Add: Cost of supplies including profit margin	-	21
Less:		
Amortization for the year	38	97
Reversal due to termination of sites	-	56
Provision for expected losses under service concession arrangement	-	48
Written off on termination of contract	714	-
Total	**-**	**752**

During the year ended March 31, 2021, the Company terminated the contract with BMC and accordingly, reversed all the assets and liabilities created as per Appendix D of Ind AS 115. Also, refer Note 5, Note 15, Note 21 and Note 33(b).

45. Financial instruments

The carrying value of financial instruments by categories is as below:

Amount in Rs. lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets - Non-current (measured at amortized cost)		
Security deposits ^	320	308
Advances to related party #	233	233
Fixed deposits bank with remaining maturity of more than 12 months #	14	11
Financial assets - Current (measured at fair value through profit & loss)		
Investments in mutual funds $	-	43
Financial assets - Current (measured at amortized cost)		
Trade receivables #	1,951	1,956
Cash and cash equivalents #	425	1,331
Other bank balances #	2,706	33
Security deposits ^	21	19
Advances to related party #	152	146
Claimable expenses #	69	11
Unbilled revenue #	810	698
Accrued interest #	20	2
Employee advances #	13	41
Total assets	**6,734**	**4,832**
Financial liabilities - Non-current (measured at amortized cost)		
Lease liabilities ^	334	793
Rental deposit ^	16	16
Financial liabilities - Current (measured at amortized cost)		
Bank overdraft * #	2	-
Trade payables #	746	805
Lease liabilities ^	408	412
Unpaid dividend #	10	13
Others #	106	43
Total liabilities	**1,622**	**2,082**

* Rounded-off to lakhs

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

$ The carrying value of this account is measured at fair value through profit & loss and are classified as level 1 of fair value hierarchy.

Management has assessed these carrying balances approximates their fair value largely due to the short term maturities/liquid nature.

^ These balances are determined by using discounted cash flows using discount rate that reflects the issuer's borrowing rate/ lending rate for the respective financial assets/liabilities as at the end of the reporting period.

46. Financial risk management

The Company has exposure to following risks arising from financial instruments-

- credit risk
- market risk
- interest risk
- liquidity risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relations to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

a. Credit risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) from its financing activities including deposits with banks and financial institutions.

(i) Trade and other receivables:

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Expected credit loss (ECL) assessment for corporate customers as at March 31, 2021 and March 31, 2020

The Company's credit period generally ranges from 0-90 days. The credit risk exposure of the Company is as follows:

Amount in Rs. lakhs

	As at March 31, 2021		As at March 31, 2020	
Particulars	**Gross amount**	**Provision and loss allowance**	**Gross amount**	**Provision and loss allowance**
Trade receivables and unbilled revenue	2,886	125	2,741	87
Total	**2,886**	**125**	**2,741**	**87**

Reconciliation of provision for doubtful debts and loss allowance:

Amount in Rs. lakhs

Particulars	Amount
Provision and loss allowance on April 01, 2019	**75**
Changes in provision and loss allowance	12
Provision and loss allowance on March 31, 2020	**87**
Changes in provision and loss allowance	38
Provision and loss allowance on March 31, 2021	**125**

(ii) Other financial assets and deposits with banks:

Credit risk on cash and cash equivalent (including bank balances, fixed deposits and margin money with banks) is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

b. Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Company's income and its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, primarily in United States Dollars ('USD'). The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company also has exposures to Great Britain Pound ('GBP') and Singapore Dollar ('SGD').

Unhedged foreign currency exposure

Foreign currency exposures that have not been hedged by derivative instruments or otherwise are as follows:

Particulars	Currency	As at March 31, 2021 Amount in Rs. lakhs	As at March 31, 2020 Amount in Rs. lakhs
Trade receivables towards services rendered	USD	331	660
	GBP	368	137
	BHD	-	9
	EUR	319	250
	SGD	10	6
Other current assets	USD	547	407
	EUR	14	14
	SGD	64	30
	MYR	10	7
	GBP	7	104
Trade payables for services availed	USD	208	305
	GBP	4	-
	MYR	-	2
	SGD	31	16

Sensitivity analysis

Every 1% increase or decrease of the respective foreign currencies compared to functional currency of the Company would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.14% (loss before tax for the year ended March 31, 2020 by 0.14%).

c. Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to its short term borrowings in nature of working capital loans, which carry floating interest rates. Accordingly, the Company's risk of changes in interest rates relates primarily to the Company's debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's loss before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

Amount in Rs. lakhs

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Change in interest rate	Effect on profit before tax	Change in interest rate	Effect on profit before tax
Borrowings*	+1%	-	+1%	-
	-1%	-	-1%	-

*Rounded-off to lakhs

d. Liquidity risk

Liquidity is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing the liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its financial liabilities. The contractual cash flows reflect the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Amount in Rs. lakhs

Particulars	Carrying value	Contractual cash flows			
		Total	On demand	< 1 Yr	>1 Yr
March 31, 2021					
Lease liabilities	742	742	-	408	334
Rental deposit	16	16	-	-	16
Borrowings	2	2	2	-	-
Trade payables	746	746	-	746	-
Unpaid dividend	10	10	10	-	-
Employee related liabilities	106	106	-	106	-
	1,622	**1,622**	**12**	**1,260**	**350**
March 31, 2020					
Lease Liabilities	1,205	1,205	-	412	793
Rental Deposits	16	16	-	-	16
Borrowings*	-	-	-	-	-
Trade payables	805	805	-	805	-
Unpaid dividend	13	13	13	-	-
Employee related liabilities	43	43	-	43	-
	2,082	**2,082**	**13**	**1,260**	**809**

*Rounded-off to lakhs

47. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long-term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based with no financing through borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

48. The Company has considered internal and certain external sources of information including economic forecasts, budgets required to meet performance obligations and likely delays on contractual commitments, upto the date of approval of these standalone financial statements, in determining the possible impact from the COVID-19 pandemic. The Company has used the principles of prudence in applying judgements, estimates and assumptions and based on the current estimates, the Company expects to fully recover the carrying amount of its assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to its assessment of economic impact of COVID-19 pandemic.

49. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2021 in this regard, to comply with the requirements of the Income Tax Act, 1961. During the year ended March 31, 2021, the Company has re-assessed its inter-company transfer pricing arrangements effective from April 01, 2020 considering the benchmarking exercise carried out by the Company. The management of the Company is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the standalone financial statements, particularly on account of tax expense and that of provision for taxation.

50. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

As per our report of even date
For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Rajeev Kumar
Partner
Membership Number: 213803

Place: Bengaluru
Date: May 28, 2021

for and on behalf of the Board of Directors of Mindteck (India) Limited

Yusuf Lanewala
Chairman
DIN - 01770426

Anand Balakrishnan
Managing Director and CEO
DIN - 05311032

Jagdish Malkani
Director
DIN - 00326173

Ramachandra M S
Chief Financial Officer

Shivarama Adiga S
Company Secretary

Place: Bengaluru
Date: May 28, 2021