

**NUCLEUS IT ENABLED SERVICES  
LIMITED**

**FINANCIAL STATEMENT 2018-19**



# MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

3, Shanti Kunj, 17, Prarthana Samaj Road, Vile Parle (East), Mumbai - 400 057.

Off. # 2618 5110

# 2618 5137

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**SHAILESH MANEK**

B.Com.(Hons), Grad. C.W.A., F.C.A.

Independent Auditor's Report

**To,  
The Members,  
NUCLEUS IT ENABLED SERVICES LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NUCLEUS IT ENABLED SERVICES LIMITED** ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

## **Basis for Opinion**

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

# MANEK & ASSOCIATES

## **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that

# MANEK & ASSOCIATES

give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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## **Report on Other Legal and Regulatory Requirements**

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

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

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

(c) The balance sheet, the statement of profit and loss including other comprehensive income, statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind As standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014,

(e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act., and

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

# MANEK & ASSOCIATES

- i. The Company does not have any pending litigation which would impact its financial position
  - ii. The Company did not have any long-term contract including derivative contract for which there are any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MANEK & ASSOCIATES**

**Chartered Accountants**

**Firm's registration number:0126679W**



**Mumbai**

**Dated: May 20<sup>th</sup> 2019**

*SL Manek*  
**(SHAILESH MANEK)**

**Proprietor**

**Membership number.034925**



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## **Annexure - A to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **NUCLEUS IT ENABLED SERVICES LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

## **Auditors' Responsibility**

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



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

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

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## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For MANEK & ASSOCIATES  
Chartered Accountants**

**Firm's registration number:0126679W**



**Mumbai**

**Dated : May 20<sup>th</sup> 2019**

*Shailesh Manek*  
(SHAILESH MANEK)  
Proprietor

**Membership number.034925**



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## SHAILESH MANEK

B.Com.(Hons), Grad. C.W.A., F.C.A.

### Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2019, we report that:

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

(b) All the assets have been physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) There are no immovable properties in name of the company and therefore, the provisions of clause 3(i)(c) is not applicable.

(ii) The Company is a service company, primarily rendering information technology enabled services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has granted unsecured loans to Companies covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the Companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In the case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.

(c) There are no overdue amounts in respect of the loan granted to Companies listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans granted, but the Company has not given any guarantees or security in respect of any loans and therefore, the provision of clause 3(iv) of the order is not applicable to that extent.

(v) The Company has not accepted any deposits from the public and consequently the directives issued by the Reserve Bank of India, the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, and the Rules framed there under are not applicable, and also no orders were

# MANEK & ASSOCIATES

passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore clause 3(v) of the order is not applicable.

(vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 148 of the Companies Act, 2013 in respect of the service activities carried on by the Company and therefore, the provision of clause 3(vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, goods and service tax, service tax, custom duty, cess and other material statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us, there are no dues of income tax, goods and service tax, service tax, customs duty, and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a bank. Further, the Company has not issued any debentures and therefore, the provision of clause 3 (viii) of the Order to that extent is not applicable

(ix) During the financial year, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans and therefore, the provision of clause 3 (ix) of the Order is not applicable

(x) According to information and explanations given to us there were no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year and therefore, the provision of clause 3 (x) of the Order is not applicable.

(xi) During the Financial year, no managerial remuneration has been paid or provided and therefore, the provision of clause 3 (xi) of the Order is not applicable.

(xii) In our opinion, the company is not a chit fund or a nidhi and therefore the provisions of clause 3(xii) of the Order are not applicable to the company.

# MANEK & ASSOCIATES

(xiii) According to information and explanation given to us, all the transactions with related parties are in compliance with the provisions of sections 177 and 188 of Companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the Ind As financial statements, as required under the applicable Accounting Standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review, therefore, the provisions of clause 3(xiv) of the Order are not applicable to the company.

(xv) During the financial year, the Company has not entered into any non-cash transactions with directors or persons connected with him and therefore the provisions of clause 3(xv) of the Order are not applicable to the company.

(xvi) In our opinion, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and therefore, the provisions of clause 3(xvi) of the Order are not applicable to the company..

**For MANEK & ASSOCIATES**

**Chartered Accountants**

**Firm's registration number:0126679W**



*SL Manek*  
**(SHAILESH MANEK)**  
**Proprietor**

**Mumbai**

**Dated : May 20<sup>th</sup> 2019**

**Membership number.034925**

# Nucleus IT Enabled Services Limited

Balance Sheet as at March 31st, 2019

₹ in '000'

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	3A	3,661.58	1,016.49
(b) Capital WIP	3B	-	471.72
(c) Intangible asset under development	3C	-	954.00
(d) Intangible Asset	3D	691.20	
(d) Financial Assets			
(i) Investments	4	1,01,999.00	99,000.00
(ii) Other Financial asset	5	100.00	50.00
(e) Non- Current tax assets	6	3,120.85	3,363.00
<b>Sub Total</b>		<b>1,09,572.62</b>	<b>1,04,855.21</b>
<b>CURRENT ASSETS</b>			
(a) Financial Assets			
(i) Trade receivables	7	2,953.42	7,054.32
(ii) Cash and cash equivalents	8	1,024.70	272.21
(iii) Loans	9	3,760.00	6,205.00
(iv) Others Financial Assets	10	148.01	84.71
(b) Other Current Assets	11	1,553.99	749.87
<b>Sub Total</b>		<b>9,440.12</b>	<b>14,366.10</b>
<b>TOTAL ASSETS</b>		<b>1,19,012.74</b>	<b>1,19,221.31</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share capital	12	30,000.00	30,000.00
(b) Other Equity	13	(48,143.02)	(23,827.74)
<b>Sub Total</b>		<b>(18,143.02)</b>	<b>6,172.26</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Other non-current liabilities	14	570.00	570.00
(b) Deferred tax liabilities	15	25,908.02	25,388.55
(c) Provisions	16	99.78	73.65
<b>Sub Total</b>		<b>26,577.80</b>	<b>26,032.19</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	17	1,07,967.67	82,806.32
(ii) Trade payables	18		
(A) total outstanding dues of micro enterprises and small enterprises			
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		725.75	691.10
(iii) Other financial liabilities	19	184.69	1,175.24
(b) Other Current Liabilities	20	1,311.81	2,112.98
(c) Provisions	21	388.05	231.23
<b>Sub Total</b>		<b>1,10,577.96</b>	<b>87,016.86</b>
<b>TOTAL LIABILITIES</b>		<b>1,37,155.76</b>	<b>1,13,049.05</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,19,012.74</b>	<b>1,19,221.31</b>

Notes (Including Significant Accounting Policies) 1 to 34

Forming Part of the Financial Statements

The above Balance Sheet should be read in conjunction with the accompanying notes.

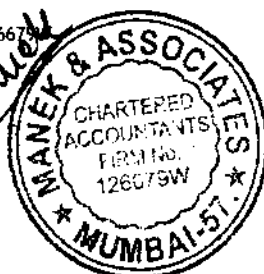
As per our report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration No. -0126679

Shailesh L. Manek  
Proprietor  
Membership No. - 034925  
MUMBAI: May 20th, 2019



For and on behalf of the Board of Directors

Pankaj Parmar  
Director  
[DIN: 06547336]

Purvi Ambani  
Director  
[DIN: 06546129]

**Nucleus IT Enabled Services Limited**  
**Statement of Profit and Loss for the year ended March 31st, 2019**

₹ in '000'

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
<b>INCOME</b>			
Revenue from Operations	22	28,070.91	26,994.44
Other Income	23	493.71	299.62
<b>Total Income</b>		<b>28,564.62</b>	<b>27,294.06</b>
<b>EXPENSES</b>			
Employee benefits expense	24	21,979.52	15,728.56
Finance costs	25	10,301.38	8,364.71
Depreciation and amortisation expense	3A to 3D	1,618.89	281.62
Other expenses	26	20,477.27	15,243.78
<b>Total expenses</b>		<b>54,377.06</b>	<b>39,618.66</b>
<b>Profit/(loss) before tax</b>		<b>(25,812.44)</b>	<b>(12,324.60)</b>
Tax expense			
Current Tax			
Deferred Tax		(18.66)	
Tax Adjustment of Earlier Years (Cr) / Dr			
<b>Total Tax Expense</b>		<b>(18.66)</b>	
<b>Profit/(loss) for the period</b>		<b>(25,793.78)</b>	<b>(12,324.60)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to profit or loss :			
(a) Remeasurements of Defined Benefit Plans		109.34	90.76
(b) Effect of measuring Equity Instruments on Fair Value		1,889	90,000
(c) Income Tax on (a) and (b)		(519.47)	(23,198.37)
<b>Total Other Comprehensive Income(net of tax)</b>		<b>1,478.50</b>	<b>66,892.39</b>
<b>Total Comprehensive Income for the year</b>		<b>(24,315.27)</b>	<b>54,567.79</b>
<b>Earnings per equity share (Face Value ₹ 10 Per Share)</b>			
Basic (in ₹)		(8.60)	(4.11)
Basic (in ₹)		(8.60)	(4.11)

Notes (Including Significant Accounting Policies) 1 to 34

Forming Part of the Financial Statements

The above statement of profit and loss account should be read in conjunction with the accompanying notes.

As per our report of even date attached

For Manek & Associates

Chartered Accountants

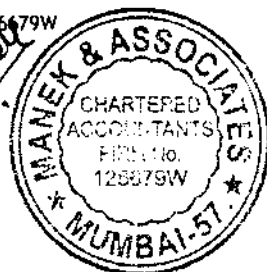
Firm Registration No. -0126679W

Shailesh L. Manek

Proprietor

Membership No: 034925

Date : May 20th, 2019



For and on behalf of the Board of Directors

Pankaj Parmar

Director

[DIN: 06547336]

Purvi Ambani

Director

[DIN: 06546129]

Statement of Changes in Equity for the year ended March 31, 2019

A. Equity Share Capital

₹ in '000'

Particulars	Amount
Balance as at April 1, 2018	30,000.00
Add: Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	30,000.00

B. Other Equity

₹ in '000'

Particulars	Retained Earnings	Equity Instruments through OCI	Total
Balance as at March 31, 2018	(95,702.10)	71,874.36	(23,827.74)
Profit for the period	(25,793.78)		(25,793.78)
Other Comprehensive Income for the year			
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)		80.91	80.91
Fair Valuation of Investment		1,397.60	1,397.60
Balances as at March 31, 2019	(1,21,495.88)	73,352.87	(48,143.02)

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date attached

For Manek & Associates

Chartered Accountants

Firm Registration No. -0126679W

Shailesh L. Manek

Proprietor

Membership No- 034925

Mumbai: May 20th, 2019



For and on behalf of the Board of Directors

*Pankaj Parmar*  
Pankaj Parmar  
Director  
[DIN: 06547336]

*Purvi Ambani*  
Purvi Ambani  
Director  
[DIN: 06546129]



## Notes to Financial Statements

### 1 Corporate Information

Nucleus IT Enabled Services Limited ("the Company") is a public limited company incorporated and domiciled in India and has its registered office at Nucleus House, Saki Vihar Road, Mumbai - 400 072.

The Company is engaged in information technology enabled services and provides services to clients both domestic and abroad. The Company is also engaged in Debt Recovery business.

The financial statements for the year ended March 31, 2019 are approved for issue by the Company's Board of Directors on May 20, 2019.

### 2 Significant Accounting Policies

#### Basis of Preparation

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

Those Financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities, which have been measured at fair value:

- i. Certain financial assets and liabilities
- ii. Defined Benefits Plans- Plan assets

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest hundred (INR 000) upto two decimals, except when otherwise indicated.

#### 2.1 Property, Plant and Equipment (PPE)

PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

#### Capital work in progress

In this year the assets are ready for their intended use, such properties are classified and capitalised to the appropriate categories of property, plant and equipment. Depreciation of these asset, on the same basis as other property asset.

#### 2.2 Depreciation

Depreciation on Property, Plant and Equipment (other than Capital Work-in-progress) is commenced when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Management. Depreciation is provided on the Written-down value Method as per the useful lives specified in Part C of Schedule II to the Companies Act, 2013 or as per technical assessment.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

#### 2.3 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per Schedule II of Companies Act, 2013. Software is being amortised over a period of five years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



## 2.4 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but up to the amount that would have been determined, had no impairment loss been recognised for that asset or cash-generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 2.5 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items 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.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

## 2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised net of income earned on temporary investments from such borrowings. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.7 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised 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 obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Provisions, Contingent liabilities and Contingent assets are reviewed at each reporting date and are adjusted to reflect the current best estimate.



## 2.8 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### Sale of Services

Information Technology Enabled Services (ITES), Debt recovery commission and Software Services Fees : Fees from services rendered of ITES is recognised on services rendered. Software services fees and debt recovery commission are accounted on its completion and acceptance by the customers. Sales exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of rebates and discounts.

### Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

### IND AS 115

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces AS 18 Revenue and Ind AS 11 Construction contracts. Upon initially applying this standard there is no impact which is required to be recognized at the date of initial application (i.e. April 1, 2018)

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

## 2.9 Leases

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

### Finance Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets under finance leases are capitalised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

### Operating Leases:

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental expense is recognised on a straight line basis over the term of the relevant lease.



## 2.10 Employee Benefits

### (i) Short term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

### (ii) Long-term benefits:

#### Defined Contribution Plan:

##### Provident Fund, Employees State Insurance

The Company's contribution to Provident Fund and Employee State Insurance Scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Defined Benefit Plan:

##### Gratuity:

The Company has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

### Compensated absences:

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is recognized based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Statement of Profit and loss in the period in which they arise.

## 2.11 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

### Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income-tax Act, 1961 and other tax laws, as applicable.

### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### Current and Deferred Tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.



## 2.12 Earnings Per Share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares, if any, outstanding during the year, except where the results would be anti-dilutive.

## 2.13 Foreign Currency Transactions

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

## 2.14 Financial Instruments

Financial assets and Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

### Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

### Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

### Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- 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.

### Fair Value through OCI:

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- 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.

### Fair Value through Profit or Loss:

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

### Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.



#### Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Impairment of financial assets:

The Company recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at original effective rate of interest.

#### Derecognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### Financial liabilities and equity instruments:

##### - Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### - Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognized as cost of investment.

#### Derecognition of financial liabilities:

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

#### Offsetting:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.



## 2.15 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### Key estimates, assumptions and judgements

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

#### Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 27.

#### Property, Plant and Equipment/Intangible Assets

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

#### Employee Benefit Plans

The cost of the defined benefit gratuity plan and other post employment benefits and the present value of gratuity obligations and compensated absences are 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, attrition 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.

#### Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

#### Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### Fair Value measurements 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 (Net Assets Value in case of units of Mutual Funds), 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.

#### Impairment of Assets

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to assess impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

#### Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



Note 3A

₹ in '000

## Property, Plant and Equipment

Particulars	Computers	Electric Fittings	Furnitures and fixtures	Office and Other Equipments	Motor Vehicle	Total
(I) Gross Carrying Value						
Balance as at March 31, 2017	1,175.38	10.51	128.89	149	82	1,546.09
Additions during the year	335.80					335.80
Deductions/Adjustments during the year					-82	(82.30)
Other Adjustments during the year						
Balance as at March 31, 2018	1,511.18	10.51	128.89	149.01	-	1,799.59
Additions during the year	3,067.30		155.43	868.45	-	4,091.18
Deductions/Adjustments during the year						
Other Adjustments during the year						
Balance as at Mar 31, 2019	4,578.48	10.51	284.32	1,017.46	-	5,890.77
(II) Accumulated Depreciation						
Balance as at March 31, 2017	464.87			36.61		501.49
Additions during the year	261.57			20.05		281.62
Deductions/Adjustments during the year						
Other Adjustments during the year						
Balance as at March 31, 2018	726.44	-	-	56.66	-	783.10
Depreciation expense for the year	1,141.11		9.9	295.04		1,446.09
Deductions/Adjustments during the year						
Balance as at Mar 31, 2019	1,867.55	-	9.95	351.70		2,229.19
Net Carrying Value (I-II)	2,710.93	10.51	274.38	665.76	-	3,661.58
Balance as at March 31, 2017	710.51	10.51	128.89	112.39	82.30	1,044.60
Balance as at March 31, 2018	784.74	10.51	128.89	92.35		1,016.49
Balance as at March 31, 2019	2,710.93	10.51	274.38	665.76	-	3,661.58





Note 3B

Capital WIP

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Work in progress	-	471.72
<b>Total</b>	-	<b>471.72</b>

Note 3C

Intangible asset under development

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Mobile Application Development	-	954.00
<b>Total</b>	-	<b>954.00</b>

Note 3D

Intangible Asset

₹ in '000

Particulars	Software
(I) Gross Carrying Value	
Balance as at March 31, 2018	-
Additions during the year	864.00
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at Mar 31, 2019	864.00
(II) Accumulated Depreciation	
Balance as at March 31, 2018	-
Depreciation expense for the year	172.80
Deductions/Adjustments during the year	-
Balance as at Mar 31, 2019	172.80
<b>Net value</b>	<b>691.20</b>



**Note 4**

**Non-current investments**

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Investments measured at Fair Value through Other Comprehensive Income		
Unquoted		
Investments in Equity Shares		
Pentation Analytics Private Limited	1,00,375.00	99,000.00
1,82,500 (As at March 31, 2018 - 1,80,000) Equity shares of Rs. 10 each of Pentation Analytics Private Limited		
Quoted		
Sarveshwar Foods Ltd	1,624.00	-
44,800 (As at March 31, 2018 - NIL) Equity shares of Rs. 10 each of sarveshwar Foods Ltd		
<b>Total</b>	<b>1,01,999.00</b>	<b>99,000.00</b>

Aggregate Amount Of Quoted Investments	1,624.00	
Aggregate Amount Of Unquoted Investments	1,00,375.00	99,000.00

**Note 5**

**Non-Current Financial Asset- Others**

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Bank:		
Margin money with bank for BG		50.00
- Maturities beyond 12 months		
Fixed Deposit with Bank	100.00	-
- Maturities beyond 12 months		50.00
<b>Total</b>	<b>100.00</b>	<b>50.00</b>

**Note 6**

**Non-Current tax asset:**

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Taxes Paid (Net)	3,120.85	3,363.00
<b>Total</b>	<b>3,120.85</b>	<b>3,363.00</b>



**Note 7**

**Trade Receivables**

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables at Amortised Cost		
Unsecured, considered good	4,853.46	7,054.32
Less: Provision for Doubtful Debts	1,900.04	-
<b>Total</b>	<b>2,953.42</b>	<b>7,054.32</b>

Note:-The company has made provision for doubtful debt for the amount due from a debtor of Rs. 19,00,041/-..A disputed debt of Rs. Nil (Prev year Rs. 19,00,041/-) was due to the company from a debtor. The company had provided certain services to the debtor and since the debtor did not make the payment and disputed the same, the company referred the disputed matter to arbitration and an award in favour of company was received on 17/04/2012 and hence provision was not made at that time by the company. However the debtor challenged the arbitration order in Bombay high court in July 2012, The said Arbitration application of debtor was allowed by the Bombay High court vide its order dated 17 Aug, 2015 thereby setting aside the award dtd 17.04.2012. The company challenged the order of Bombay High court before division bench, which did not accept the company's appeal but allowed to make application for appointment of Arbitrator subject to right of Debtor to raise objection for the same. As per order of Division bench of high court at Bombay, the company approached the nagpur bench of the Bombay High court and filed a petition for appointment of Arbitrator. On 08-01-2018 the Nagpur bench of Bombay HC appointed an Arbitrator. This order was challenged by the Debtor in the SC, The Honable SC vide its order dtd 16th March 2018 directed that the question whether there was an agreement between the parties for Arbitration has to be first decided before the appointment of an arbitrator and thus HC may determine the same. In reference to aforesaid order of SC, the Debtor approached Bombay HC nagpur bench, pursuant to which on the basis of a judgement produced by the Debtor, dismissed the application of the company for appointment of an Arbitrator reasoning that the said Hon'able court has no jurisdiction to decide application as seat of arbitration will be at Mumbai/Delhi and court at nagpur has no jurisdiction to entertain application of the Company. Further, the company had also filed winding up petition before Delhi High court and the said petition has been dismissed by the said HC. Therefore, the company had made provision for doubtful full debt of the same.

**Note 8**

**Cash and Cash Equivalents**

in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Current Accounts	975.24	258.44
Cash in hand	49.46	13.77
<b>Total</b>	<b>1,024.70</b>	<b>272.21</b>



Note 9

Current Loans

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
A. Security Deposits	2,023.00	2,000.00
B. Others		4,100.00
Inter Corporate Loan - APMC Ltd		
Inter Corporate Loan - Pentation Analytics pvt Ltd	1,500.00	
Loans to staff	237.00	105.00
<b>Total</b>	<b>3,760.00</b>	<b>6,205.00</b>

Note: Security Deposit is given to the Holding Company against use of premises on Leave and Licence basis.

It also include Deposit given to CDSL and Bajaj finance which are refundable within a year.

Note: Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.

Note 10

Other Current Financial Assets

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balances with Bank:</b>		
Margin money with bank for BG	50.00	
- Maturities within 12 months		
<b>Other Financial Assets</b>		
Accrued interest	71.25	54.82
Interest receivable on ICD	6.51	19.72
Advances recoverable in cash or in kind	20.25	10.17
<b>Total</b>	<b>148.01</b>	<b>84.71</b>

Note 11

Other Current Assets

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Advances Other Than Capital advances</b>		
Accrued Income	761.68	
Input Tax Credit (GST )	382.79	221
Prepaid Expenses	409.52	529
<b>Total</b>	<b>1,553.99</b>	<b>749.87</b>



Note 12  
Equity Share Capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 5,000,000 Equity shares at Rs. 10/- par value	50,000.00	50,000
Total Authorised share Capital	50,000.00	50,000
Issued, Subscribed & Paid Up 3,000,000 Equity shares at Rs. 10/- par value	30,000.00	30,000
Total Issued, Subscribed and Paid up Share Capital	30,000.00	30,000

Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by shareholders.

a. Reconciliation of the number of shares outstanding

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares in '000'	In rs '000'	No. of Shares in '000'	In rs '000'
Equity Shares Outstanding at the beginning of the year				
Equity Shares issued during the year	3,000.00	30,000.00		
Equity Shares bought back during the year				
Equity Shares outstanding at the end of the year	3,000.00	30,000.00	3,000	30,000

b. Shareholders having more than 5% holding

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares in '000'	% Holding	No. of Shares in '000'	% Holding
Asif C Mehta Financial Services Ltd.	3,000.00	100.00	3,000	100.00



## Note 13

## Other Equity

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Retained Earnings</b>		
Balance as at the beginning of the year	(95,702.10)	(83,444.90)
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	(25,793.78)	(12,324.60)
Other Comprehensive Income for the year		
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)	80.91	67.39
	(1,21,414.97)	(95,702.10)
<b>Equity Instruments through Other Comprehensive Income</b>		
Balance as at the beginning of the year	71,874.36	5,049.36
Add/(Less) : Movement during the year	1,397.60	66,825.00
	73,271.96	71,874.36
<b>Total</b>	<b>(48,143.02)</b>	<b>(23,827.74)</b>

## Description of the nature and purpose of Other Equity

**Retained Earnings:** Retained Earnings are the profits that the Company has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividends and adjustments on account of transition to Ind AS.

**Equity Instruments through Other Comprehensive Income :** This represents cumulative gains / (losses) arising on the measurement of equity shares (other than subsidiaries and associate) at fair value through other comprehensive income.

## Note 14

## Other Non - Current liabilities:

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Guarantee commission by ACMIL	570.00	570.00
<b>Total</b>	<b>570.00</b>	<b>570.00</b>

## Note 15

## Deferred Tax Liabilities:

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities (net)	25,908.02	25,388.55
<b>Total</b>	<b>25,908.02</b>	<b>25,388.55</b>

## Note 16

## Provision

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Gratuity (funded)	99.78	73.65
Leave Encashment (unfunded)		
<b>Total</b>	<b>99.78</b>	<b>73.65</b>



## Note 17

## Current Borrowings

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Loans repayable on demand-</b>		
<b>From Banks- Secured</b>		
Overdraft from Bank of India (Secured against the FDR pledged with BANK of India, Stock Exchange Br.) ( Security provided by M/s. Asit C. Mehta Investment Intermediates Ltd., a fellow subsidiary) ( Rate of Interest 3.8% above Term Deposit rate, P.Y. 3.7%))	56,967.67	56,025.37
<b>From Other Parties- Unsecured</b>		
Inter Corporate Deposit from Holding Co. (Repayable on Demand and Rate of Interest- 11.50%, ( P.Y. 11.5%))	-	11,280.95
Inter Corporate Deposit from Midland leisure (Repayable on Demand and Rate of Interest- 11%) (P.Y. 11.00%)	15,500.00	15,500.00
Inter Corporate Deposit from ACMIL (Repayable on Demand and Rate on interest - 11.50%) (P.Y.- 11.5%)	5,500.00	-
Inter Corporate Deposit from Nichi Investment pvt ltd (Repayable on Demand and Rate on interest - 11.50%) (P.Y. - NIL)	30,000.00	-
<b>Total</b>	<b>1,07,967.67</b>	<b>82,806.32</b>

Note: The Company has been sanctioned a limit of Cash Credits, Letter of Credits, Bank Gaurantees etc., by banks.  
The Company has availed such credit facilities during the year.

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Sanctioned Limit of Cash Credits	57,000.00	57,000
<b>Total</b>	<b>57,000.00</b>	<b>57,000</b>



Note 18  
Trade Payables

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Financial Liabilities at amortised cost		
Due to Micro, Small and Medium enterprises		
Due to Others	725.75	691.10
<b>Total</b>	<b>725.75</b>	<b>691.10</b>

The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2002 ("MSMED Act"), and therefore no such disclosures under the Act is considered necessary. This has been relied upon by the auditors.

Amounts payable to Micro and Small Enterprises	As at March 31, 2019	As at March 31, 2018
(i) the principal amount and the interest due thereon	Nil	Nil
(ii) interest Paid during the year	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid	Nil	Nil
(v) the amount of further interest remaining due and payable	Nil	Nil

Note 19  
Other Current Financial Liabilities

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Payable on OD	167.67	1,175.24
Interest payable on ICD	17.01	
<b>Total</b>	<b>184.69</b>	<b>1,175.24</b>

Note 20  
Other Current Liabilities

₹ In '000

Particulars	As at March 31, 2019	As at March 31, 2018
Other Payables		
Other Statutory Dues	1,302.21	2,112.98
Salary payable	9.60	
<b>Total</b>	<b>1,311.81</b>	<b>2,112.98</b>

Note 21  
Current Provisions

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
A. Provision for employee benefits :		
Provision for Gratuity	279.28	166.71
Provision for Leave Encashment	108.77	64.51
provision for o/s Expenses		
<b>Total</b>	<b>388.05</b>	<b>231.23</b>





**Note 22**

**Revenue From Operations**

₹ in '000

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of Service</b>		
Income From Debt Recovery	13,465.83	4,381.68
Income Back office function	13,389.05	19,726.87
Income From Advisory Services	1,000.00	-
Income From Export Services	-	2,659.46
Out of pocket expenses	216.03	226.43
<b>Total Revenue From Operations</b>	<b>28,070.91</b>	<b>26,994.44</b>

**Note 23**

**Other Income**

₹ in '000

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest</b>		
Interest	300.16	206.57
Interest on income tax refund	137.20	-
Other Income	-	93.06
<b>Other Non- Operating Income</b>		
Expenses write back	56.35	-
<b>Total</b>	<b>493.71</b>	<b>299.62</b>

**Note 24**

**Employee Benefits Expense**

₹ in '000

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries ,Wages & Bonus	18,680.08	13,887.28
Contribution to PF and Other funds	1,499.10	1,191.17
Staff Welfare	691.31	400.91
Gratuity	112.56	115.86
Leave Encashment	204.21	61.38
Training Expenses	792.27	71.97
<b>Total</b>	<b>21,979.52</b>	<b>15,728.56</b>



**Note 25**

**Finance Costs**

₹ in '000

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest Expense	10,171.73	8,228.60
Other borrowing cost- Bank Charges	15.65	22.11
Bank Guarantee Commission	114.00	114.00
<b>Total</b>	<b>10,301.38</b>	<b>8,364.71</b>

**Note 26**

**Other Expenses**

₹ in '000

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Leave & Licence fees	11,216.00	8,796.00
Rates & Taxes	296.26	22.34
Travelling & Conveyance	242.12	93.15
Electricity Exp.	2,039.14	1,558.81
Legal & Professional Fees	1,200.30	1,922.69
Repairs & Maintenance - Others	666.64	554.42
Insurance Exp.	231.09	291.04
<u>Auditors Remuneration</u>		
Audit fees	210.00	210.00
Tax Audit fees	50.00	50.00
Office Expenses	774.33	759.39
Printing & Stationery	166.08	110.19
Computer Hiring Charges		28.79
Bad debts	2,091.57	
Telephone	362.89	94.83
Software Expenses	404.16	12.77
Miscellaneous Exp.	526.70	739.36
<b>Total</b>	<b>20,477.27</b>	<b>15,243.78</b>



**Note 27:**

Disclosure pursuant to Ind AS 12 on "Income Taxes"

**A. Components of Tax Expenses/(Income)**

₹ in '000'

a. Profit or Loss Section	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Tax	-	-
Deferred Tax	-	-
Tax Adjustment of Earlier Years	(18.66)	-
<b>Income Tax Expense reported in the statement of Profit or Loss</b>	<b>(18.66)</b>	<b>-</b>

₹ in '000'

b. Other Comprehensive Income Section	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurements of Defined-Benefit Plans	(28)	(23.37)
Effect of measuring Equity Instruments on Fair Value	(491.05)	(23,175.00)
<b>Income Tax Expense reported in Other Comprehensive Income</b>	<b>(519.47)</b>	<b>(23,198.37)</b>

**B. applicable in India**

₹ in '000'

Particulars	For the year ended March 31, 2019	For the year ended
Profit (loss) before Tax	(25,812.44)	(12,324.60)
Corporate Tax rate as per Income Tax Act, 1961	26.00%	25.75%
Tax on Accounting Profit	-	-
<b>Tax effect of :</b>		
Income Exempt from Tax	-	-
Income considered separately	-	-
Expenses Allowed separately	-	-
<b>Current Tax Provision (A)</b>	<b>-</b>	<b>-</b>
Deferred Tax Liability recognised	-	-
Deferred Tax Asset recognised	-	-
Explanation for change in applicable tax rate	-	-
<b>Deferred Tax (B)</b>	<b>-</b>	<b>-</b>
Adjustments in respect of current income tax of previous years (C )	(18.66)	-
<b>Tax expenses recognised during the year (A+B)</b>	<b>-</b>	<b>-</b>
<b>Effective tax rate</b>	<b>0.00%</b>	<b>0.00%</b>



C. Deferred Tax

2018-19

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

₹ in '000				
Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Fair Valuation of Financial Assets	(25,325.64)		(491.05)	(25,816.69)
Net (loss)/gain on remeasurements of defined benefit plans	(62.91)		(28.43)	(91.34)
	(25,388.55)	-	(519.47)	(25,908.02)

Deferred Tax working under Ind AS for the year ended 31.03.2019

Assets	(DTA) / DTL Working as on 31.03.2019		26.00%		26.00%		₹ in '000	
	Account Base	Tax Base	Difference	DTA	DTL	DTL / (DTA)		
Assets	4352.78	5055.96	(703.18)	182.83	0.00	(183)		
Assets	0.00	14773.65	(14,773.65)	3841.15	0.00	(3,841)		
Assets	279.28	0.00	(279.28)	72.61	0.00	(73)		
Assets	208.55	0.00	(208.55)	54.22	0.00	(54)		
Assets	1900.04	0.00	(1,900.04)	494.01	0.00	(494)		
Assets	99088.64	0.00	(99,088.64)	0.00	25816.69	25,817		
Liabilities	332.46	0.00	(332.46)	0.00	91.34	91		
Liabilities	1,04,262	19,830	(1,15,386)	4,151	25,908	21,757		



**Note 28:****Employee Benefits**

The Company has classified various Employee Benefits as under :

**A. Defined Contribution Plans**

- i Provident Fund
- ii Employees' State Insurance Scheme

The Provident Fund and Employees' State Insurance Scheme are operated by the Regional Provident Fund Commissioner. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss :

₹ in '000'

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contribution to Provident Fund	708.47	640.76
Contribution to Employees' State Insurance Scheme	718.44	484.22
<b>TOTAL</b>	<b>1,426.91</b>	<b>1,124.98</b>

**B. Defined Benefit Plans****Gratuity**

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
i. Discount Rate (per annum)	7.64%	7.67%
ii. Rate of increase in Compensation levels (per annum)	4.00%	6.50%
iii. Attrition Rate	1% for all ages	1% for all ages
iv. Retirement Age	58years	58years

- v The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.
- vi The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.
- vii The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Gratuity fund asset is managed by Kotak Life Insurance has funding ratio of 100% (i.e. asset over liability ratio), which is on the top when compared to other companies, hence there is no material risk of the Company unable to meet the Gratuity payments.



**Note on other risks:**

**Investment risk** - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

**Interest Risk** - A fall in the discount rate which is linked to the G.Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

**Salary risk** - The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

**Mortality risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

₹ in '000'

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Gratuity Funded	Gratuity Funded
<b>i. Changes in Present value of Obligation</b>		
Present value of defined benefit obligation at the beginning of the year	950.22	1,230.28
Current Service Cost	209.11	118.53
Interest Cost	67.63	78.32
Actuarial (Gains)/Loss on obligation	(110.15)	(121.82)
Actuarial (gains)/ losses arising from changes in demographic assumption		
Actuarial (gains)/ losses arising from changes in financial assumption		
Actuarial (gains)/ losses arising from changes in experience adjustment		
Past Service cost - Vested Benefits	(137.05)	(355.10)
Benefits Paid	979.77	950.22
Present value of defined benefit obligation at the end of the year		
<b>ii. Fair value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	783.51	1,088.67
Interest Income	54.84	81.00
Return on Plan Assets excl. interest income	(0.81)	(31.06)
Actuarial Gain/(Loss)		
Employer's Contributions	(137.05)	(355.10)
Benefits Paid	700.49	783.51
Fair value of plan assets at the end of the year		



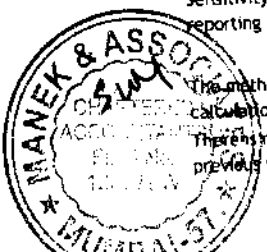
Amount to be recognised in the Balance Sheet and Statement of Profit and Loss Account		
iii.		
PVO at end of period	979.77	950.22
Fair Value of Plan Assets at end of period	700.49	783.51
Funded Status	(279.28)	(166.71)
Net Assets/(Liability) recognised in the Balance Sheet	(279.28)	(166.71)
iv. Net Benefit (Asset) /Liability		
Defined benefit obligation at beginning of period	950.22	1,230.28
Fair value of plan assets at beginning of period	783.51	1,088.67
Net Benefit Asset /(Liability)	166.71	141.62
v. Net Interest Cost for Current Period		
Interest Cost	67.63	78.32
(Interest Income)	54.84	81.00
Net Interest Cost for Current Period	12.79	(2.67)
vi. Return on plan assets		
Actual Return on plan assets	54.03	49.94
Interest income included in above	54.84	81.00
Return on plan assets excluding interest income	(0.81)	(31.06)
vii. Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	209.11	118.53
Interest cost on benefit obligation (net)	12.79	(2.67)
Total Expenses recognised in the Statement of Profit and Loss	221.90	115.86
viii. Remeasurement Effects Recognised in Other Comprehensive Income for the year		
Actuarial (gains)/ losses arising from changes in demographic assumption	3.65	(31.40)
Actuarial (gains)/ losses arising from changes in financial assumption	(113.80)	(90.41)
Actuarial (gains)/ losses arising from changes in experience adjustment	0.81	31.06
Return on plan asset excluding net interest	(109.34)	(90.76)
Recognised in Other Comprehensive Income		
ix. Movements in the Liability recognised in Balance Sheet		
Opening Net Liability	166.71	141.62
Adjustment to opening balance		
Expenses as above	221.90	115.86
Contribution paid		
Other Comprehensive Income (OCI)	(109.34)	(90.76)
Closing Net Liability	279.28	166.71
x. Cash flow Projection: From the Fund		
Within the next 12 months (next annual reporting period)	22.59	16.97
2nd following year	29.47	31.75
3rd following year	36.46	48.43
4th following year	43.56	66.59
5th following year	384.73	96.09
Sum of Years 6 To 10	567.91	903.73
xi. Sensitivity Analysis		
Projected Benefit Obligation on Current Assumptions	868.43	829.23
Delta Effect of +1% Change in Rate of Discounting	1,114.41	1,096.17
Delta Effect of -1% Change in Rate of Discounting	1,114.60	1,097.30
Delta Effect of +1% Change in Rate of Salary Increase	866.38	827.93
Delta Effect of -1% Change in Rate of Salary Increase		
xii. The major categories of plan assets as a percentage of total Insurer managed funds		

#### Note on Sensitivity Analysis

Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except for the parameters to be stressed.

There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.



**Note 29:**

Disclosures of transactions with related parties required under Ind AS 24 on "Related Party Disclosures"

**A. List of Related Parties with whom transactions have taken place during the year****(I) Holding Company :**

Asit C Mehta Financial Services Limited

**(II) Key Management Personnel (KMP):**

Mr. Pankaj Parmar

- Director

Ms. Purvi Ambani

- Director

Mr. Bharat Patel

- Director

**(III) Other Related party:**

Fellow Subsidiary

Asit C Mehta Investment Intermediates Limited

Asit C mehta commodity Services Ltd

**B: Transactions With Related Parties**

₹ in '000

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
i.	Leave & Licence fees paid		
	Asit C. Mehta Financial Services Limited	11,216.00	8,796.00
	Interest paid		
i.	Asit C. Mehta Financial Services Limited	591.52	1,196.03
ii	Asit C. Mehta Investment Intermediates Limited	889.44	1,108.47
	Reimbursement of Expenses - Paid		
i.	Asit C. Mehta Financial Services Limited	5.65	
	Mobile Charges		9.75
	Stamp Duty		
	<u>Guarantee Commission Charges</u>		
i	Asit C. Mehta Investment Intermediates Limited	114.00	114.00
	Loan Given		
i	Asit C mehta commodity Services Ltd	500.00	
	Loan received Back		
i	Asit C mehta commodity Services Ltd	4,600.00	
	Interest received		
	Asit C mehta commodity Services Ltd	231.95	
	Back office Income		
i	Asit C. Mehta Investment Intermediates Limited	198.77	989.25





C. Outstanding Balances

₹ in '000

	PARTICULARS	As at March 31, 2019	As at March 31, 2018
	Inter-corporate loan taken		
i.	Asit C. Mehta Financial Services Limited	43,228.00	67,060.00
ii	Asit C. Mehta Investment Intermediates Limited	69,400.00	34,400.00
	Inter-corporate loan repaid		
i.	Asit C. Mehta Financial Services Limited	54,508.95	55,779.05
ii	Asit C. Mehta Investment Intermediates Limited	63,900.00	87,400.00
	Closing balance payable		
i.	Asit C. Mehta Investment Intermediates Limited	5,500.00	
ii	Asit C. Mehta Financial Services Limited		11,280.95
	Closing balance receivable		
i.	Asit C. Mehta Financial Services Limited (towards lease deposit)	2,000.00	2,000.00

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of trade receivable, trade payable, other receivable, other payable and interest receivable on loan at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received in respect of outstanding receivables or payables from/to any related party. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note 30:**

Earnings Per Share (EPS)

₹ in '000

Particulars	As at 31st March, 2019	As at 31st March, 2018
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders	-25,793.78	-12,324.60
Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	3,000.00	3,000.00
Face Value per Equity Share	0.01	0.01
Basic and Diluted Earnings per Share	(8.60)	(4.11)

**Note 31:**

Leases

a. Rental Expenses Relating to Operating Leases

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Minimum Lease payments	11,216.00	8,796.00

b) General description of the leasing arrangement:

i. Future lease rentals are determined on the basis of agreed terms

ii. At the expiry of the lease term, the Company has an option either to vacate the asset or extend the term by giving notice in writing.

The Company has three Lease and Licence arrangement in respect of Office Premises with its holding company. Two arrangements are for a period of five years and one arrangement is for the period of three year, all are renewable for further period with mutual consent. Under the arrangement, refundable interest free security deposit is given and the arrangement is on a non-cancellable operating lease on the following payment terms:

	As at 31/03/2019	As at 31/03/2018
Lease rental obligation:		
Not More than one Year	11,436.00	8,796.00
Later than one Year but not later than three year	19,972.00	16,335.00



**Note 32:**

**33 Financial Instruments**

The fair values of the financial assets and liabilities are defined as 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.

**Valuation**

- i. The fair values of investment in quoted equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
- ii. The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Fair Value measurement hierarchy**

The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are :

**Level 1** - This hierarchy uses quoted (unadjusted) market prices in active markets for identical assets or liabilities.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on company specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3** - If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.



The carrying amounts and fair values of financial instruments by class are as follows:

₹ in '000

Particulars	As at March 31, 2019				As at March 31, 2018			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>								
Measured at Amortised Cost								
Loans	3,760.00				6,205.00			
Trade Receivable	2,953.42				7,054.32			
Cash and Bank Balance	1,024.70				272.21			
Others	248.01				134.71			
	7,986.13	-	-	-	13,666.23	-	-	-
Measured at Fair Value through Other Comprehensive Income								
Investment in equity instruments	1,01,999.00	-	-	1,01,999.00	99,000.00	-	-	99,000.00
	1,09,985.13	-	-	1,01,999.00	1,12,666.23	-	-	99,000.00
<b>Total Financial Assets</b>								
<b>Financial Liabilities</b>								
Measured at Amortised Cost								
Borrowing	1,07,967.67				82,806.32			
Trade Payables	725.75				691.10			
Others	184.69				1,175.24			
	1,08,878.11	-	-	-	84,672.65	-	-	-
<b>Total Financial Liabilities</b>								



**Note 33:****Capital Management and Financial Risk Management Policy****A. Capital Management**

For the purpose of the Company's Capital Management, Capital includes issued Equity Capital and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Company monitors capital using debt-equity ratio as its base, which is total debt divided by total equity.

**1. Debt Equity Ratio - Total Debt divided by Total Equity**

₹ in '000

Particulars	As at March 31, 2019	As at March 31, 2018
Total Debt	1,07,967.67	82,806.32
Total Equity	-18,143.02	6,172.26
Debt Equity Ratio	-5.95	13.42

**B. Financial Risk Management and Policies**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital.

Company has exposure to following risk arising from financial instruments:

Credit risk  
Market risk  
Liquidity risk

**i) Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments in units of mutual funds, other balances with banks, deposits and other receivables.

**a) Trade Receivable**

Customer credit risk is managed by Company's established policy, procedure and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

**ii) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar. The carrying amount of the Company's foreign currency denominated monetary assets as at the end of the reporting period is as follows :



Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount in Foreign currency ( in '000)	Amount ( in '000)	Amount in Foreign currency ( in '000)	Amount ( in '000)
Receivable USD	-	-	-	-

Particulars of un-hedged foreign currency asset / liability as at the end of the reporting period is as follows :

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount in Foreign currency ( in '000)	Amount ( in '000)	Amount in Foreign currency ( in '000)	Amount ( in '000)
Payable USD	-	-	-	-

**Foreign currency sensitivity:**

The following table demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant.

5% increase or decrease in foreign exchange rate will have the following impact on before profit before tax and impact on equity.

Particulars	As at March 31, 2019		As at March 31, 2018	
	5% increase	5% decrease	5% increase	5% decrease
Impact on Profit and Loss USD	-	-	-	-

**iii. Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company manages its liquidity risk by maintaining positive Cash and Bank balance and availability of funds through adequate cash credit facility. Management monitors the company's liquidity positions through rolling forecast on the basis of expected cash flows. Cash flow from operating activities provides the funds to service and finance the financial liabilities on a day-to-day basis.

The table below provides details regarding the remaining contractual maturities of Company's financial liabilities.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Less than 1 Year/ On Demand	1-5 years	More than 5 years	Total
Non-derivative financial liabilities	92,467.67	15,500	-	1,07,967.67
Borrowings	725.75	-	-	725.75
Trade Payables	184.69	-	-	184.69
Other payables	93,378.11	15,500.00	-	1,08,878.11
Non-derivative financial liabilities	82,806.32	-	-	82,806.32
Borrowings	638.85	52.25	-	691.10
Trade Payables	1,175.24	-	-	1,175.24
Other payables	84,620.40	52.25	-	84,672.65

₹ in '000



**Note 34:**  
Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation.

During the year, the Company was engaged in the business of Information Technology Enabled Services (ITES), which is the only operating segment as per Ind AS 108.

In '000

Geographical Information :

Particulars	As at March 31, 2019			As at March 31, 2018		
	Revenue from Customers by location	Carrying Amount of Segment Assets by Location	Addition to Fixed Assets	Revenue from Customers by location	Carrying Amount of Segment Assets by Location	Addition to Fixed Assets
Domestic	28,070.91	119012.7397	4,091.18	24,334.98	119.22	335.80
Overseas	-	-	-	2,659.46	-	-
	28,070.91	1,19,012.74	4,091.18	26,994.44	119.22	335.80

As per our report of even date attached

For Manek & Associates  
Chartered Accountants  
Firm Registration No. -0126679W

Shailesh L. Manek  
Proprietor  
Membership No. - 034925  
MUMBAI: May 20th, 2019



For and on behalf of the Board of Directors

*Pankaj Panmar*  
Pankaj Panmar  
Director  
[DIN:06547336]

*Purvi Ambani*  
Purvi Ambani  
Director  
[DIN:06546129]