CA

MANEK & ASSOCIATES

CHARTERED ACCOUNTANTS

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

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

MITTUL B. DALAL
B.Com. A.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 March 31,2021, 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, 2021, the loss 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 36 of the financial statements, which indicates that the Company s net worth has got eroded as of March 31, 2021 and the Company s current liabilities exceeded its current assets. These conditions, along with other matters as stated in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not modified in respect of this matter.

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 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.

The Matter described under material uncertainty related to Going Concern paragraph may have an adverse effect on the functioning of the Company.

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.

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 March 31,2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2021 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i.The Company 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.

MANEK & ASSOCIATES

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

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

SLManek

(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAEV3155

Mumbai
Dated: May 12Th, 2021

MANEK & ASSOCIATES

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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 March 31 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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.

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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MANEK & ASSOCIATES
Chartered Accountants
Firm's registration number:0126679W

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAEV3155

Mumbai
Dated: May 12th , 2021

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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 March 31,2021, 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 Company 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 passed by National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal and therefore close 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 March 31,2021 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.

(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

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

SL Manek

(SHAILESH MANEK)
Partner
Membership number.034925
UDIN: 21034925AAAAEV3155

Mumbai
Dated: May 12th, 2021

STATEMENT OF INCOME

A.Y. 2021-2022

Name : NUCLEUS IT ENABLED SERVICES LIMITED

Address : 2ND FLOOR
NUCLEUS HOUSE
SAKI VIHAR ROAD
ANDHERI EAST, MUMBAI - 400 072

Previous Year : 2020-2021
PAN : AACCN 7930 R

Status : Domestic Company
D. O. I. : **09/02/2021**

Statement of Income		Rs.	Rs.	Rs.
Profits and gains of Business or Profession				
Business-1				
Net Profit Before Tax as per P & L a/c			-2,57,32,522	
Add: Inadmissible expenses & Income not included				
Depreciation debited to P & L a/c		11,52,431		
Loss From Sale Of Investment		23,202		
37 disallowance	1	7,322		
43B disallowance - Provision for leave encashment Reversed	6	4,11,071		
40A disallowance	2	0	15,70,824	
			-2,41,61,698	
Less: Deductible expenditure & income to be excluded				
Leave Encashment Paid During the year		5,01,602		
Gratuity		11750		
Income tax refund		68,933		
Incomes considered separately	3	0	5,82,285	
Adjusted Profit of Business-1			-2,47,43,983	
Total income of Business and Profession			-2,47,43,983	
Less: Depreciation as per IT Act	7		11,71,277	
Income chargeable under the head "Business and Profession"				-2,59,15,260
Income from Capital Gains				
Short Term Capital GAINS			-23,202	-23,202
Income from other sources				
Interest on Income Tax refund			68,933	
Income chargeable under the head "other sources"				68,933
Total				-2,58,69,529
Unabsorbed Losses - C/F	4			-2,58,69,529
Less - Brought forward losses set off	8			0
Total Income				0
Tax on total income				0
Minimum Alternative Tax	5		0	

Schedule 1

Disallowances of expenditure u/s 37

	Disallowance
Other expenditure	
Penalty or fine	
Int on tds	7,322
Total Disallowance	7,322

Nucleus IT Enabled Services Ltd. Mumbai

Schedule 2

Disallowances of expenditure u/s 40A

Description	Disallowance
40A(7) - Provision for gratuity	0
Total Disallowance	0

Schedule 3

	Amount
Income considered under other heads	
Capital gains	0
Grand total	0

Schedule 4

Description	Unabsorbed Loss
Ordinary Business Loss	-2,46,98,252
Depreciation unabsorbed	11,71,277
Total	-2,58,69,529

Schedule 5

Financial statements are drawn as per Ind AS?	Yes		
Minimum alternative tax			
Net profit after tax (A)			-2,58,69,529
Adjustments to book profit u/s 115JB(2A) to (2C)			
One-fifth of Transition Amount u/s 115JB(2C)		2,79,519	
Total Adjusted amount (D)			2,79,519
Book Profit (A + B + D - C)			-2,55,90,010
Mat on book profit			0
Mat with SC & Cess on book profit			0
Earning solely in Foreign Exchange in Intl. Financial Services Centre	No		
Policies, standards & depreciation methods used in accounts laid before	Yes		
Ind-AS Convergence date	01-Apr-16		
Additions/ Deletions: [For deletions enter minus(-)]			
Gains/ losses from investments in equity instruments at fair value		13,97,596	
Total		13,97,596	
Transition amount - Adjusted in preceding years		8,38,558	
. - Adjusted in current FY		2,79,519	
. - To be adjusted in subsequent years		2,79,519	

Bank A/c:

For NUCLEUS IT ENABLED SERVICES LIMITED

Authorised Signatory

Date : 09-FEB-2021

Place : MUMBAI

Nucleus IT Enabled Services Ltd. Mumbai

Nucleus IT Enabled Services Limited
Balance Sheet as at March 31, 2021

Amount in ₹

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
NON-CURRENT ASSETS			
(a) Property, Plant and Equipment	3A	15,16,468	24,96,099
(b) Other Intangible Assets	3B	3,45,118	5,17,918
(c) Financial Assets			
(i) Investments	4	6,12,05,375	5,92,33,104
(ii) Other Financial asset	5	1,14,795	2,14,795
(d) Non- Current tax assets	6	2,70,858	34,47,419
(e) Other Non-Current Assets	7	18,000	18,000
TOTAL NON-CURRENT ASSETS		**6,34,70,614**	**6,59,27,335**
CURRENT ASSETS			
(a) Financial Assets			
(i) Trade receivables	8	7,99,748	26,26,737
(ii) Cash and cash equivalents	9	9,07,534	4,57,117
(iii) Loans	10	35,00,000	35,04,786
(iv) Others Financial Assets	11	22,00,289	1,76,274
(b) Other Current Assets	12	2,03,370	36,69,237
TOTAL CURRENT ASSETS		**76,10,942**	**1,04,34,150**
TOTAL ASSETS		**7,10,81,556**	**7,63,61,484**
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	13	3,00,00,000	3,00,00,000
(b) Other Equity	14	(13,42,28,168)	(10,97,82,109)
TOTAL EQUITY		**(10,42,28,168)**	**(7,97,82,109)**
LIABILITIES			
NON-CURRENT LIABILITIES			
(a) Other non-current liabilities	15	5,70,000	5,70,000
(b) Deferred tax liabilities	16	97,48,484	93,61,523
(c) Provisions	17	-	28,813
TOTAL NON- CURRENT LIABILITIES		**1,03,18,484**	**99,60,336**
CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	18	15,94,31,126	13,73,67,390
(ii) Trade payables			
- Dues of Micro, Small and Medium enterprises		-	-
- Dues of Others	19	3,63,932	8,67,909
(iii) Other financial liabilities	20	39,86,394	55,41,193
(b) Other Current Liabilities	21	12,09,788	19,92,732
(c) Provisions	22	-	4,14,034
TOTAL CURRENT LIABILITIES		**16,49,91,241**	**14,61,83,258**
TOTAL LIABILITIES		**17,53,09,725**	**15,61,43,594**
TOTAL EQUITY AND LIABILITIES		**7,10,81,556**	**7,63,61,484**

Significant accounting policies 2

The accompanying notes are an integral part of these financial statements.

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

As per our report attached hereto

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm Registration No. -0126679W

Shailesh L. Manek
Partner
Membership No. 34925
Date : May 12, 2021
Place : Mumbai
UDIN:

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

For and on behalf of the Board

Purvi Ambani
Director
[DIN: 06546129]

Pankaj Parmar
Director
[DIN: 06547336]

Nucleus IT Enabled Services Ltd. Mumbai

Nucleus IT Enabled Services Limited
Statement of Profit and Loss for the Year ended March 31, 2021

Amount in ₹

Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
INCOME			
Revenue from Operations	23	60,50,401	2,40,25,154
Other Income	24	6,23,904	3,65,964
Total Income		**66,74,306**	**2,43,91,117**
EXPENSES			
Employee benefits expense	25	41,85,256	2,63,68,554
Finance costs	26	1,59,92,790	1,25,27,220
Depreciation and amortisation expense	3A to 3B	11,52,431	20,34,149
Other expenses	27	1,10,76,350	1,88,96,832
Total expenses		**3,24,06,827**	**5,98,26,754**
Profit/(loss) before tax		**(2,57,32,522)**	**(3,54,35,637)**
Tax expense			
Current Tax		-	-
Deferred Tax		(34,871)	(54,33,604)
Tax Adjustment of Earlier Years		(50,992)	8,048
Total Tax Expense		**(85,863)**	**(54,25,556)**
Profit/(loss) for the period		**(2,56,46,659)**	**(3,00,10,081)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss :			
(a) Remeasurements of Defined Benefit Plans		(5,75,463)	2,49,614
(b) Effect of measuring Equity Instruments on Fair Value		21,97,895	(4,29,91,520)
(c) Income Tax on (a) and (b)		(4,21,832)	1,11,12,895
Total Other Comprehensive Income(net of tax)		**12,00,600**	**(3,16,29,010)**
Total Comprehensive Income for the year		**(2,44,46,059)**	**(6,16,39,092)**
Earnings per equity share (Face Value ₹Rs.10 Per Share)	31		
Basic (in ₹)		(8.55)	(10.00)
Diluted (in ₹)		(8.55)	(10.00)

The accompanying notes are an integral part of these financial statements.

As per our report attached hereto
For **MANEK & ASSOCIATES**
Chartered Accountants
Firm Registration No. -0126679W

Shailesh L. Manek
Partner
Membership No. 34925
Date : May 12, 2021
Place : Mumbai
UDIN:

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

For and on behalf of the Board

Purvi Ambani
Director
[DIN: 06546129]

Pankaj Parmar
Director
[DIN: 06547336]

Nucleus IT Enabled Services Ltd. Mumbai

Nucleus IT Enabled Services Limited

Statement of Cash Flow Satatement for the year ended March 31, 2021

Amount in ₹

Particulars	Year ended March 31,2021	Year ended March 31,2020
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax	(2,57,32,522)	(3,54,35,637)
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:		
Loss on sale of investment	23,202	-
Depreciation and amortisation	11,52,431	20,34,149
Finance Costs	1,59,92,790	1,24,13,220
Amortisation of financil gurantee	-	1,14,000
Interest Income	(4,69,576)	(1,87,788)
Operating Profit Before Changes in Working Capital	**(90,33,674)**	**(2,10,62,056)**
Adjustment for Changes in Working Capital		
(Increase) / Decrease in Trade Receivables	18,26,988	3,26,683
(Increase) / Decrease in Loans/Advances	4,786	2,37,212
(Increase) / Decrease in Other Financial Assets	(17,43,500)	(28,263)
(Increase) / Decrease in Other Current Assets	34,65,867	(22,29,251)
(Increase) / Decrease in Other Non Current Assets	1,00,000	(1,14,795)
(Increase) / Decrease in Non Current Assets	-	14,21,646
Increase / (Decrease) in Trade Payables,Other Current Liabilities and short-term Provisions	(17,00,955)	62,05,572
Increase / (Decrease) in Provisions,Other Non Current liability	(6,04,276)	1,78,651
Cash Generated from Operations	**(76,84,764)**	**(1,50,64,600)**
Less: Taxes Paid	(32,27,553)	17,56,265
NET CASH FLOW FROM OPERATING ACTIVITY (A)	**(44,57,211)**	**(1,68,20,865)**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	1,89,061	1,87,788
Purchase of Property, Plant and Equipment	-	(6,95,390)
Purchase of Investments during the year	-	(2,25,623)
Sale of Investments during the year	2,02,422	-
NET CASH FLOW FROM INVESTING ACTIVITY (B)	**3,91,482**	**(7,33,226)**
CASH FLOW FROM FINANCING ACTIVITY		
Finance Costs	(1,75,47,590)	(1,24,13,220)
Increase / (Decrease) in Short-term Borrowings	2,20,63,736	2,93,99,725
Increase / (Decrease) in Reserve and Surplus		
NET CASH FLOW FROM FINANCING ACTIVITY (C)	**45,16,147**	**1,69,86,505**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**4,50,418**	**(5,67,586)**
Opening Balance of Cash and Cash Equivalents	**4,57,117**	**10,24,703**
CLOSING BALANCE OF CASH and CASH EQUIVALENTS	**9,07,534**	**4,57,117**

NOTES TO CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

1 Cash & Cash Equivalents Include :		
Cash on Hand	6,261	24,541
Balance with Banks In Current and Cash Credit Accounts	9,01,273	4,32,576
	9,07,534	4,57,117

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

Nucleus IT Enabled Services Ltd. Mumbai

Nucleus IT Enabled Services Limited
Statement of Cash Flow Satatement for the year ended March 31, 2021

2 Disclosure in terms of amendment to Ind AS 7 on " Statement of Cash Flows" to evaluate changes in liabilities arising from financial activities

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheets for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any impact on the financial statements.

3 Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts) Rules,2014.

4 Figures in brackets represent outflows / deductions.

5 Previous year's figures have been regrouped wherever necessary.

The accompanying notes are an integral part of these financial statements.

As per our report attached hereto
For **MANEK & ASSOCIATES**
Chartered Accountants
Firm Registration No. -0126679W

Shailesh L. Manek
Partner
Membership No. 34925
Date : May 12, 2021
Place : Mumbai
UDIN:

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

For and on behalf of the Board

Purvi Ambani
Director
[DIN: 06546129]

Pankaj Parmar
Director
[DIN: 06547336]

Nucleus IT Enabled Services Ltd. Mumbai

NUCLEUS IT ENABLED SERVICES LIMITED

Nucleus IT Enabled Services Limited

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

Amount in ₹

Particulars	Amount
Balance as at April 1, 2019	**3,00,00,000.00**
Add: Changes in Equity Share Capital during the Year	-
Balance as at March 31, 2020	**3,00,00,000.00**
Add: Changes in Equity Share Capital during the Year	-
Balance as at March 31, 2021	**3,00,00,000.00**

B. Other Equity

Amount in ₹

Particulars	Retained Earnings	Equity Instruments through other comprehensive income	Total
Balance as at April 01, 2019	**12,14,14,974**	**(7,32,71,957)**	**4,81,43,017**
Profit/(loss) for the period	3,00,10,081	-	3,00,10,081
Other Comprehensive Income (OCI) for the year			
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)	(1,84,714)	-	(1,84,714)
Fair Valuation of Investment	-	3,18,13,725	3,18,13,725
Balances as at March 31, 2020	**15,12,40,341**	**(4,14,58,232)**	**10,97,82,109**
Profit/(loss) for the period	2,56,46,659	-	2,56,46,659
Other Comprehensive Income for the year			
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)	4,25,842	-	4,25,842
Fair Valuation of Investment	-	(16,26,442)	(16,26,442)
Balances as at March 31, 2021	**17,73,12,843**	**(4,30,84,675)**	**13,42,28,168**

The accompanying notes are an integral part of these financial statements.

As per our report attached hereto

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

Shailesh L. Manek
Partner
Membership No. 34925
Date : May 12, 2021
Place : Mumbai

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

For and on behalf of the Board

Purvi Ambani
Director
[DIN: 06546129]

Pankaj Parmar
Director
[DIN: 06547336]

Nucleus IT Enabled Services Ltd. Mumbai

NUCLEUS IT ENABLED SERVICES LIMITED

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, 2021 are approved for issue by the Company's Board of Directors on May 12, 2021.

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.

These 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) upto two decimals, except when otherwise indicated.

2 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 the 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 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 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 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.

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

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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 upto 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.

3 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.

3 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.

3 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.

3 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.

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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.

 # 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 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.

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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 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 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.

2.1 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.

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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 FVTOCI.
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.

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57

Nucleus IT Enabled Services Ltd. Mumbai

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.

2.2 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/amortisaion 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 access 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 ouflow 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.

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2.2 **Revenue From Contracts with Customers**

The company has apply Ind As 115 Revenue from Contract with customers

Ind AS 115: Revenue from Contracts with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two possible methods of transition:

- Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.

- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) only to contracts that are not completed contracts on that date. Under this method, cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2019

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Note 3A
Property, Plant and Equipment

Amount in ₹

Particulars	Computers	Electric Fittings	Furnitures and fixtures	Office and Other Equipments	Total
(I) Gross Carying Value					
Balance as at April 1, 2019	**45,78,481**	**10,507**	**2,84,322**	**10,17,458**	**58,90,768**
Additions during the year	6,95,390	-	-	-	6,95,390
Deductions/Adjustments during the year	-	-	-	-	-
Balance as at March 31, 2020	**52,73,871**	**10,507**	**2,84,322**	**10,17,458**	**65,86,158**
Additions during the year	-	-	-	-	-
Deductions/Adjustments during the year	-	-	-	-	-
Balance as at March 31, 2021	**52,73,871**	**10,507**	**2,84,322**	**10,17,458**	**65,86,158**
(II) Accumulated Depreciation					
Balance as at April 1, 2019	**18,67,548**	-	**9,947**	**3,51,698**	**22,29,193**
Depreciation expense for the year	15,52,378	-	37,748	2,70,740	18,60,866
Deductions/Adjustments during the year	-	-	-	-	-
Balance as at March 31, 2020	**34,19,926**	-	**47,695**	**6,22,438**	**40,90,059**
Depreciation expense for the year	8,03,751		28,000	1,47,880	9,79,631
Deductions/Adjustments during the year	-	-	-	-	-
Balance as at March 31, 2021	**42,23,677**	-	**75,695**	**7,70,318**	**50,69,690**
Net Carrying Value (I-II)					
Balance as at March 31, 2020	**18,53,945**	**10,507**	**2,36,627**	**3,95,020**	**24,96,099**
Balance as at March 31, 2021	**10,50,194**	**10,507**	**2,08,627**	**2,47,140**	**15,16,468**

Note 3B
Other Intangible Asset

Amount in ₹

Particulars	Software
(I) Gross Carying Value	
Balance as at April 1, 2019	-
Additions during the year	8,64,000
Deductions/Adjustments during the year	-
Balance as at March 31, 2020	8,64,000
Additions during the year	-
Deductions/Adjustments during the year	-
Balance as at March 31, 2021	8,64,000
(II) Accumulated Depreciation	
Balance as at April 1, 2019	1,72,800
Depreciation expense for the year	1,73,282
Deductions/Adjustments during the year	-
Balance as at March 31, 2020	3,46,082
Depreciation expense for the year	1,72,800
Deductions/Adjustments during the year	-
Balance as at March 31, 2021	5,18,882
Balance as at March 31, 2020	5,17,918
Balance as at March 31, 2021	3,45,118

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NOTES TO FINANCIAL STATEMENTS

Note 4
Non-current Investments

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Investments measured at Fair Value through Other Comprehensive Income		
Unquoted		
Investments In Equity Shares		
Pentation Analytics Private Limited 1,82,500 (Previous Year: 1,82,500) equity shares of ₹ 10 each, fully paid up	6,02,08,575	5,85,44,175
Qouted		
Sarveshwar Foods ltd 44,800 (Previous Year: 44,800) equity shares of ₹ 10 each, fully paid up	9,96,800	4,59,200
Kintech Renewable Ltd NIL (Previous Year: 2,139) equity shares of ₹ 10 each, fully paid up	-	2,29,729
Total	**6,12,05,375**	**5,92,33,104**

Aggregate Amount Of Quoted Investments	**9,96,800**	**-**
Aggregate Amount Of Unquoted Investments	**6,02,08,575**	**5,92,33,104**
Aggregate amount of impairment in value of investments	**-**	**-**

The company has elected an irrevocable option to designate its investments in equity instruments through FVOCI, as the said investments are not held for trading and company continues to invest for long term and remain invested, which it believes to have potential to remain accretive over the long term.

Note 5
Non-Current Financial Asset- Others

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Bank: Fixed Deposit with Bank - Maturities beyond 12 months	1,14,795	2,14,795
Total	**1,14,795**	**2,14,795**

Note 6
Non-Current tax asset:

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Taxes Paid (Net)	2,70,858	34,47,419
Total	**2,70,858**	**34,47,419**

Note 7
Other Non-Current Assets

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Securities Deposits with CDSL	18,000	18,000
Total	**18,000**	**18,000**

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Note 8
Trade Receivables

Amount in ₹

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Trade Receivables		
Unsecured, considered good	7,99,748	26,26,737
Less:Provision for Doubtful Debts	-	-
Total	**7,99,748**	**26,26,737**

Note 9
Cash and Cash Equivalents

Amount in ₹

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Balances with Banks		
Current Accounts	8,01,273	4,32,576
Fixed deposits with maturity of less than 3 months	1,00,000	-
Cash on hand	6,261	24,541
Total	**9,07,534**	**4,57,117**

Note 10
Current Loans

Amount in ₹

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
A. Security Deposits	20,00,000	20,00,000
B. Others		
Inter Coporate Deposits - Pentation Analytics pvt Ltd	15,00,000	15,00,000
Loans to staff	-	4,786
Total	**35,00,000**	**35,04,786**

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

Note 11
Other Current Financial Assets

Amount in ₹

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Accrued interest	36,965	21,024
Interest receivable on ICD	4,19,824	1,55,250
Refund Receivable	17,43,500	-
Total	**22,00,289**	**1,76,274**

Note 12
Other Current Assets

Amount in ₹

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Unbilled Revenue	2,00,000	19,27,000
Balance with Government Authorities	856	13,31,176
Prepaid Expenses	2,515	4,11,060
Total	**2,03,370**	**36,69,237**

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Note 13

Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Authorised Equity shares of par value Rs.10/-	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Total Authorised share Capital	**50,00,000**	**5,00,00,000**	**50,00,000**	**5,00,00,000**
Issued, Subscribed & Paid Up Equity shares of par value Rs.10/-	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Total Isuued, Subscribed and Paid up Share Capital	**30,00,000**	**3,00,00,000**	**30,00,000**	**3,00,00,000**

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, 2021		As at March 31, 2020	
	No. of shares	Amount in ₹	No. of shares	Amount in ₹
Equity Shares Outstanding at the beginning of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000
Equity Shares issued during the year	-	-	-	-
Equity Shares bought back during the year	-	-	-	-
Equity Shares oustanding at the end of the year	30,00,000	3,00,00,000	30,00,000	3,00,00,000

b. Shareholders having more than 5% holding

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares	% Holding	No. of shares	% Holding
Asit C Mehta Financial Services Ltd.	30,00,000	100%	30,00,000	100%

Note 14

Other Equity

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Retained Earnings		
Balance as at the beginning of the year	(15,12,40,341)	(12,14,14,974)
Add: Net Profit after Tax transferred from the Statement of Profit and Loss	(2,56,46,659)	(3,00,10,081)
Other Comprehensive Income for the year		
- Remeasurement gain/(loss) on Defined Benefit Plans (Net of tax)	(4,25,842)	1,84,714
	(17,73,12,843)	**(15,12,40,341)**
Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	4,14,58,232	7,32,71,957
Add/(Less) : Movement during the year	16,26,442	(3,18,13,725)
	4,30,84,674	**4,14,58,232**
Total	**(13,42,28,168)**	**(10,97,82,109)**

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.

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Note 15
Other Non - Current liabilities:

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Guarantee commission by ACMIIL	5,70,000	5,70,000
Total	**5,70,000**	**5,70,000**

Note 16
Deferred Tax Liabilities:

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Closing Deferred Tax Liabilities (net) (Refer Note No. 28 Table C)	97,48,484	93,61,523
Total	**97,48,484**	**93,61,523**

Note 17
Provision

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Leave Encashment (unfunded)	-	28,813
Total	**-**	**28,813**

Note 18
Current Borrowings

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Loans repayable on demand-		
From Banks- Secured		
Overdraft from Bank of India	-	5,66,48,539
From Other Parties- Unsecured		
Inter Corporate Deposit from Holding Company	10,41,31,126	1,49,18,251
Inter Corporate Deposit from Others	5,53,00,000	6,58,00,600
Total	**15,94,31,126**	**13,73,67,390**

Note 19
Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Liabilities		
Due to Micro, Small and Medium enterprises	-	-
Due to Others	3,63,932	8,67,909
Total	**3,63,932**	**8,67,909**

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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, 2021	As at March 31, 2020
(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 20
Other Current Financial Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Payable on OD	-	1,31,921
Interest payable on ICD	39,86,394	54,09,272
Total	**39,86,394**	**55,41,193**

Note 21
Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Other Payables		
Other Statutory Dues	3,13,693	5,10,348
Salary payable	7,39,354	10,75,268
Advance for Delta Algo AMC	1,56,741	4,07,116
Total	**12,09,788**	**19,92,732**

Note 22
Current Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
A. Provision for employee benefits :		
Provision for Gratuity	-	3,52,316
Current Provision for Leave Encashment	-	61,718
Total	-	**4,14,034**

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Note 23
Revenue From Operations

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Sale of Service		
Income From Debt Recovery	19,42,543	1,68,21,159
Income Back office function	21,03,089	42,33,068
Income From -Talk Delta-ALGO	19,75,024	27,99,034
Out of pocket expenses	29,745	1,71,892
Total Revenue From Operations	**60,50,401**	**2,40,25,154**

Note 24
Other Income

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest	3,01,967	1,87,788
Dividend Income	-	2,139
Interest on income tax refund	1,67,609	-
Insurance Refund	1,44,923	-
Other Non- Operating Income		
Expenses write back	9,405	1,76,037
Total	**6,23,904**	**3,65,964**

Note 25
Employee Benefits Expense

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries ,Wages & Bonus	32,94,991	2,34,58,418
Contribution to PF and Other funds	2,07,653	17,80,900
Staff Welfare	75,406	6,08,013
Gratuity	1,87,394	73,041
Leave Encashment	4,19,812	3,64,831
Training Expenses	-	83,350
Total	**41,85,256**	**2,63,68,554**

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Note 26
Finance Costs

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest Expense	1,59,88,729	1,24,05,864
Other borrowing cost- Bank Charges	4,062	7,356
Guarantee Commission	-	1,14,000
Total	**1,59,92,790**	**1,25,27,220**

Note 27
Other Expenses

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Leave & Licence fees	62,28,000	1,15,35,000
Rates & Taxes	6,500	32,472
Travelling & Conveyance	1,25,495	6,17,523
Electricity Exp.	1,15,887	18,68,763
Legal & Prefessional Fees	9,44,936	17,05,888
Repairs & Maintaenance - Others	44,362	1,54,029
Insurance Exp.	-	2,20,252
Auditors Remuneration		
Audit fees	2,10,000	2,10,000
Tax Audit fees	-	50,000
Office Exp	4,11,088	8,56,515
Printing & Stationery	16,765	63,984
Telephone	1,48,682	4,13,807
Software Expenses	90,000	7,13,970
GST Expense	25,48,663	23,691
Miscellaneous Exp.	1,85,972	4,30,938
Total	**1,10,76,350**	**1,88,96,832**

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NOTES TO FINANCIAL STATEMENTS

Note 28

Disclosure pursuant to Ind AS 12 on "Income Taxes"

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

Amount in ₹

a. Profit or Loss Section	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax	-	-
Deferred Tax	(34,871)	(54,33,604)
Tax Adjustment of Earlier Years	(50,992)	**8,048**
Income Tax Expense reported in the statement of Profit or Loss	**(85,863)**	**(54,25,556)**

Amount in ₹

b. Other Comprehensive Income Section	Year ended March 31, 2021	Year ended March 31, 2020
Remeasurements of Defined Benefit Plans	1,49,620	(64,900)
Effect of measuring Equity Instruments on Fair Value	(5,71,453)	1,11,77,795
Income Tax Expense reported in Other Comprehensive Income	**(4,21,832)**	1,11,12,895

B. **Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India**

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit (loss) before Tax	**(2,57,32,522)**	**(3,54,35,637)**
Corporate Tax rate as per Income Tax Act, 1961	**26.00%**	**26.00%**
Tax on Accounting Profit	-	-
Tax effect of :		
Income Exempt from Tax	-	-
Income considered seperately	-	-
Expenses Allowed seperately	-	-
Current Tax Provision (A)	-	-
Deferred Tax Liability recognised	-	-
Deferred Tax Asset recognised	**(34,871)**	**(54,33,604)**
Explanation for change in applicable tax rate		
Deferred Tax (B)	**(34,871)**	**(54,33,604)**
Adjustments in respect of current income tax of previous years (C)	**(50,992)**	**8,048**
Tax expenses recognised during the year (A+B+C)	**(85,863)**	**(54,25,556)**
Effective tax rate	**0.33%**	**15.31%**

C. **Deferred Tax**

2020-21

Components and Reconciliation of Deferred Tax (Assets)/Liabilities

Amount in ₹

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in Other Comprehensive Income	Closing Balance
Fair Valuation of Financial Assets	1,46,38,892		5,71,453	1,52,10,345
Net loss/(gain) on remeasurements of defined benefit plans	1,56,235	-	(1,49,621)	6,614
Fixed Asset and provison for Gratuity and leave encashment	(54,33,604)	(34,871)	-	(54,68,475)
	93,61,523	**(34,871)**	**4,21,832**	**97,48,484**

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Note 29:
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 :

Amount in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contribution to Provident Fund	1,01,098	10,35,953
Contribution to Employees' State Insurance Scheme	93,572	6,76,365
TOTAL	1,94,670	17,12,318

B. **Defined Benefit Plans**
**During the year there were no employee as on year end, hence acturial valuation is not done

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, 2021 **	March 31, 2020
i.	Discount Rate	-	*
ii.	Rate of increase in Compensation levels	-	4.00%
iii	Attrition Rate	-	1% for all ages
iv	Retirement Age	-	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.
viii 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.

Amount in ₹

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
		Gratuity Funded	Gratuity Funded
i.	**Changes in Present value of Obligation**		
	Present value of defined benefit obligation at the beginning of the year	-	9,79,765
	Current Service Cost	-	3,02,363
	Interest Cost	-	51,938
	Actuarial (Gains)/Loss on obligation	-	(2,23,316)
	Benefits Paid	-	(5,99,904)
	Present value of defined benefit obligation at the end of the year	-	5,10,846

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ii.	**Fair value of Plan Assets**		
	Fair value of plan assets at the beginning of the year	-	7,00,490
	Interest Income	-	30,640
	Return on Plan Assets excl. interest income	-	26,298
	Benefits Paid	-	(5,99,904)
	Fair value of plan assets at the end of the year	-	1,58,530
iii.	**Amount to be recognised in the Balance Sheet and Statement of**		
	PVO at end of period	-	5,10,545
	Fair Value of Plan Assets at end of period	-	1,58,530
	Funded Status	-	(3,52,316)
	Net Assets/(Liability) recognised in the Balance Sheet	-	(3,52,316)
iv.	**Net Benefit (Asset) /Liability**		
	Defined benefit obligation at beginning of period	-	9,79,765
	Fair value of plan assets at beginning of period	-	7,00,490
	Net Benefit Asset /(Liability)	-	2,79,275
v.	**Net Interest Cost for Current Period**		
	Interest Cost	-	51,938
	(Interest Income)	-	30,640
	Net Interest Cost for Current Period	-	21,298
vi.	**Return on plan assets**		
	Actual Return on plan assets	-	56,938
	Interest income included in above	-	30,640
	Return on plan assets excluding interest income	-	26,298
vii.	**Expenses recognised in the Statement of Profit and Loss**		
	Current Service Cost	-	3,02,363
	Interest cost on benefit obligation (net)	-	21,298
	Total Expenses recognised in the Statement of Profit and Loss	-	3,23,661
viii.	**Remeasurement Effects Recognised in Other Comprehensive Income for the year**		
	Actuarial (gains)/ losses arising from changes in financial assumption	-	65,395
	Actuarial (gains)/ losses arising from changes in experience adjustment	-	(2,88,711)
	Return on plan asset excluding net interest	-	(26,298)
	Recognised in Other Comprehensive Income	-	(2,49,614)
ix.	**Movements in the Liability recognised in Balance Sheet**		
	Opening Net Liability	-	1,66,712
	Expenses as above	-	2,21,899
	Other Comprehensive Income (OCI)	-	(1,09,336)
	Closing Net Liability	-	2,79,275
x.	**Cash flow Projection: From the Fund**		
	Within the next 12 months (next annual reporting period)	-	6,865
	2nd following year	-	7,178
	3rd following year	-	7,521
	4th following year	-	8,625
	5th following year	-	12,192
	Sum of Years 6 To 10	-	2,64,097
xi.	**Sensitivity Analysis**		
	Projected Benefit Obligation on Current Assumptions		
	Delta Effect of +1% Change in Rate of Discounting	-	434357
	Delta Effect of -1% Change in Rate of Discounting	-	607443
	Delta Effect of +1% Change in Rate of Salary Increase	-	6,08,459
	Delta Effect of -1% Change in Rate of Salary Increase	-	4,32,527
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.

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NOTES TO FINANCIAL STATEMENTS

Note 30:
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 Interrmediates Limited
Asit C mehta commodity Services Ltd

B. Transactions With Related Parties

Amount in ₹

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
	Leave & Licence fees paid		
i.	Asit C. Mehta Financial Services Limited	62,28,000	1,12,16,000
	Interest paid		
i.	Asit C. Mehta Financial Services Limited	32,18,162	16,84,215
ii	Asit C. Mehta Investment Interrmediates Limited	44,94,226	36,86,865
	Reimbursement of Expenses		
i.	**Asit C. Mehta Financial Services Limited**	1,89,949	72548.00
ii	Asit C. Mehta Investment Interrmediates Limited	44,367	238023.00
	Guarantee Commission Charges		
i	Asit C. Mehta Investment Interrmediates Limited	-	1,14,000
	Loan Given		
i	Asit C mehta commodity Services Ltd	6,00,00,000	-
	Loan Received Back		
i	Asit C mehta commodity Services Ltd	6,00,00,000	-
	Interest received		
	Asit C mehta commodity Services Ltd	1,13,526	-
	Back office Income		
i	Asit C. Mehta Investment Interrmediates Limited	94,593	1,17,856
	Talk Delta algo Income		
	Asit C. Mehta Investment Interrmediates Limited	37,000	2,17,000

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C. Outstanding Balances

Amount in ₹

	PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
	Inter-corporate loan taken		
i.	Asit C. Mehta Financial Services Limited	19,28,85,000	8,44,20,000
ii	Asit C. Mehta Investment Interrmediates Limited	25,98,51,835	14,03,00,600
ii	Asit C mehta commodity Services Ltd	2,33,00,000	-
	Inter-corporate loan repaid		
i.	Asit C. Mehta Financial Services Limited	10,36,72,125	6,95,01,749
ii	Asit C. Mehta Investment Interrmediates Limited	26,76,52,435	13,80,00,000
	Closing balance payable		
i.	Asit C. Mehta Investment Interrmediates Limited (Interest)	10,09,594	1,11,18,779
ii	Asit C. Mehta Financial Services Limited (Including Interest)	10,71,07,926	1,65,40,965
iii	Asit C. Mehta Financial Services Limited (towards Electriciy)	-	72,548
iv	Asit C. Mehta Investment Interrmediates Limited (Reimbursement)	42,568	-
v.	Asit C mehta commodity Services Ltd	2,31,94,988	-
	Closing balance receivable		
i.	Asit C. Mehta Financial Services Limited (towards lease deposit)	20,00,000	20,00,000
ii	Asit C. Mehta Investment Interrmediates Limited	12,775	19,045

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 31:

Earnings Per Share (EPS)

Amount in ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net loss after tax as per Statement of profit and loss available for equity shareholders	(2,56,46,659)	(3,00,10,081)
Number of Equity Shares at the beginning of the year	30,00,000	30,00,000
Number of Equity Shares at the end of the year	30,00,000	30,00,000
Weighted average number of equity shares used as denominator for calculating Basic and Diluted Earnings per shares	30,00,000	30,00,000
Face Value per Equity Share	10.00	10.00
Basic and Diluted earnings per Share	(8.55)	(10.00)

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Note 32

Leases

a. Rental Expenses Relating to Operating Leases

Amount in ₹

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Minimum Lease payments	62,28,000	1,15,35,000

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 a Leave and Licence arrangement in respect of Office Premises with its holding company. The arrangement is for a period of one year without lock-in period.

Amount in ₹

Lease rental obligation:	As at March 31, 2021	As at March 31, 2020
Not More than one Year	2,00,000.00	91,92,000.00
Later than one Year but not later than three year	-	-

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Note 33:

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.

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

Amount in ₹

Particulars	As at March 31, 2021				As at March 31, 2020			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Finanical Assets								
Measured at Cost								
Loans	35,00,000	-	-	-	35,04,786	-	-	-
Trade Receivable	7,99,748	-	-	-	26,26,737	-	-	-
Cash and Bank Balance	9,07,534	-	-	-	4,57,117	-	-	-
Others	23,15,084	-	-	-	3,91,069	-	-	-
	75,22,367	-	-	-	69,79,708	-	-	-
Measured at Fair Value through Other Comprehensive Income								
Investment in equity instruments	6,12,05,375	-	-	6,12,05,375	5,92,33,104	-	-	5,92,33,104
Total Finanical Assets	**6,87,27,742**	-	-	**6,12,05,375**	**6,62,12,811**	-	-	**5,92,33,104**
Finanical Liabilities								
Measured at Cost								
Borrowing	15,94,31,126	-	-	-	13,73,67,390	-	-	-
Trade Payables	3,63,932	-	-	-	8,67,909	-	-	-
Others	39,86,394	-	-	-	55,41,193	-	-	-
Total Finanical Liabilities	**16,37,81,452**	-	-	-	**14,37,76,492**	-		

NUCLEUS IT ENABLED SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS

Note 34:
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

Amount in ₹

Particulars	As at March 31, 2021	As at March 31, 2020
Total Debt	15,94,31,126	13,73,67,390
Total Equity	(10,42,28,168)	(7,97,82,109)
Debt Equity Ratio	(1.53)	(1.72)

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, 2021		As at March 31, 2020	
	Amount in Foreign currency	Amount in ₹	Amount in Foreign currency	Amount in ₹
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, 2021		As at March 31, 2020	
	Amount in Foreign currency	Amount in ₹	Amount in Foreign currency	Amount in ₹
Payable USD	-	-	-	-

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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, 2021		As at March 31, 2020	
	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 manage 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.

Amount in ₹

Particulars	Less than 1 Year/ On Demand	1-5 years	More than 5 years	Total
As at March 31, 2021				
Non-derivative financial liabilities				
Borrowings	15,94,31,126	-	-	15,94,31,126
Trade Payables	3,63,932	-	-	3,63,932
Other payables	39,86,394	-	-	39,86,394
	16,37,81,452	-	-	**16,37,81,452**
As at March 31, 2020				
Non-derivative financial liabilities				
Borrowings	13,73,67,390	-	-	13,73,67,390
Trade Payables	8,67,909	-	-	8,67,909
Other payables	55,41,193	-	-	55,41,193
	14,37,76,492	-	-	**14,37,76,492**

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NOTES TO FINANCIAL STATEMENTS

Note 35:

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 well as Geographical Segment as per Ind AS 108.

Note 36:

Covid 19

i) In early 2020, a new corona virus originated from China triggering Disease COVID-19. The Virus has spread across the globe. The World Health Organization (WHO) declared it a global pandemic. Every country was forced to declare part/Full Lockdown to arrest its spread. The Pandemic has caused severe disruption to businesses and economic activities. Various local governments have introduced a variety of other measures to contain the spread of the virus. The Government of India also announced a country wide lockdown which still continues in large part of the country with some variations.

ii) In this nation-wide lock-down, Reserve bank of India has directed banks and other lenders to offer moratorium on loan installments/ EMIs for 6 months till 31 august 2020. As such, the collection business has more or less come to a halt as per instructions from our bank clients. The Company has discontinues recovery business from second half of financial year 2020-21.

iii) Our data related businesses have also been put to hold due to inability on the part of our insurance / NBFC clients to reach physical documents to us for processing. Due to scare of COVID - 19, people have realised the importance of insurance in their personal finance. The documents are currently lying in the insurance branches, head office pending for processing. We expect the data business also to go up as the situation improves and the back log come up for clearance.

iv) The company had started marketing ALGO based softwares for capital markets particularly for Arbitrage activity. The capital markets have functioned normally during the lock down. There is an increased interest in the capital market as is visible from the number of demat account opened and number of dormant client activated. We expect smart traders to increasingly opt for ALGO based softwares for market participation. The revenue from the product will be based on initial subscription and repeat revenue from AMC.

v) Based on the Financial Statement , The Company networth has got eroded as of March 31, 2021 and it becomes negative of Rs.10,42,28,168/-(Previous Year Rs 7,97,82,109) and Current Liabilities exceeded its Current assets by Rs. 15,73,80,299/- (Previous Year Rs.13,57,31,108/-). However , Company has taken support letter from the group Companies for Financial Assistant till the year end 31.03.2021. The Board of Directors of the Company and Holding Company, at its meeting held on April 16, 2021, had approved a Composite Scheme of Merger/ Amalgamation of Wholly-Owned Subsidiary into and with the Holding Company subject to the requisite statutory and regulatory approvals.

As per our report attached hereto

For **MANEK & ASSOCIATES**
Chartered Accountants
Firm Registration No. -0126679W

Shailesh L. Manek
Partner
Membership No. 34925
Date : May 12, 2021
Place : Mumbai
UDIN:

MANEK & ASSOCIATES CHARTERED ACCOUNTANTS FIRM No. 126679W MUMBAI-57.

For and on behalf of the Board of Directors

Purvi Ambani
Director
[DIN: 06546129]

Pankaj Parmar
Director
[DIN: 06547336]

Nucleus IT Enabled Services Ltd. Mumbai