NUCLEUS SOFTWARE INC.

BALANCE SHEET AS AT 31 MARCH 2021

	Notes Ref.	As at 31 March 2021 (USD)	As at 31 March 2020 (USD)	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
ASSETS					
Non-current assets					
Property, plant and equipment	2.1	-	194	-	14,680
Other Intangible assets	2.1	178	328	13,014	24,820
Current Assets		**178**	**522**	**13,014**	**39,500**
Financial assets					
Trade receivables	2.2	32,412	69,151	2,369,641	5,232,656
Cash and Cash Equivalents	2.3	462,246	455,154	33,794,788	34,441,535
Other financial assets	2.4	2,235	2,235	163,401	169,122
Other current assets	2.5	1,137	3,716	83,133	281,158
		498,030	**530,256**	**36,410,963**	**40,124,471**
TOTAL ASSETS		**498,208**	**530,778**	**36,423,977**	**40,163,971**
EQUITY & LIABILITIES					
EQUITY					
Equity Share capital	2.6	350,000	350,000	25,588,500	26,484,500
Other equity	2.7	138,568	126,620	10,130,689	9,581,386
		488,568	**476,620**	**35,719,189**	**36,065,886**
LIABILITIES					
Current liabilities					
Financial liabilities					
Trade payables	2.8	7,442	8,537	544,085	645,993
Other current liabilities	2.9	25	45,621	1,828	3,452,092
Current tax Liabilities (net)	2.10	2,173	-	158,875	-
		9,640	**54,158**	**704,788**	**4,098,085**
TOTAL EQUITY AND LIABILITIES		**498,208**	**530,778**	**36,423,977**	**40,163,971**

See accompanying notes forming part of the financial statements 1 & 2

For and on behalf of the For and on behalf of the Board of Directors

Dusad Vishnu Rampratap
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VISHNU R DUSAD
Director

Place : Noida
Date : 02 June 2021

NUCLEUS SOFTWARE INC.
STATEMENT OF PROFIT AND LOSS FOR FOR THE YEAR ENDED 31 MARCH 2021

	Notes Ref.	Year ended 31 March 2021 (USD)	Year ended 31 March 2020 (USD)	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
1. REVENUE FROM OPERATIONS					
Sales and services	2.10	148,945	235,747	11,058,660	16,622,521
2. OTHER INCOME	2.11	33	153	2,439	10,759
3. TOTAL REVENUE (1+2)		**148,978**	**235,900**	**11,061,099**	**16,633,280**
4. EXPENSES					
a. Employee benefits expenses	2.12	95,659	162,854	7,121,798	11,482,816
b. Operating and other expenses	2.13	31,888	41,290	2,361,415	2,911,310
c. Finance cost	2.14	5,164	5,539	383,705	390,576
d. Depreciation and amortisation	2.1	278	274	19,577	19,285
TOTAL EXPENSES		**132,989**	**209,957**	**9,886,494**	**14,803,987**
5. PROFIT / (LOSS) BEFORE TAX (3-4)		**15,989**	**25,943**	**1,174,605**	**1,829,293**
6. TAX EXPENSE					
a. Current tax		4,041	1,552	284,931	109,432
NET TAX EXPENSE		**4,041**	**1,552**	**284,931**	**109,432**
7. PROFIT / (LOSS) FOR THE PERIOD (5-6)		**11,948**	**24,391**	**889,674**	**1,719,861**
8. OTHER COMPREHENSIVE INCOME					
Items that will be reclassified to profit or loss					
Currency Translation reserve		-	-	(340,370)	791,331
OTHER COMPREHENSIVE INCOME			**-**	**(340,370)**	**791,331**
9. TOTAL COMPREHENSIVE INCOME (7+8)		**11,948**	**24,391**	**549,304**	**2,511,192**
10. EARNINGS PER EQUITY SHARE					
Equity shares of USD 0.35 each					
a. Basic		0.01	0.02	0.89	1.72
b. Diluted		0.01	0.02	0.89	1.72
Number of shares used in computing earnings per share					
a. Basic		1,000,000	1,000,000	1,000,000	1,000,000
b. Diluted		1,000,000	1,000,000	1,000,000	1,000,000

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

Dusad Vishnu Rampratap

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Date: 2021.06.02 18:49:24 +05'30'

VISHNU R DUSAD
Director

Place : Noida
Date : 02 June 2021

NUCLEUS SOFTWARE INC.
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

	Notes Ref.	Year ended 31 March 2021 (USD)	Year ended 31 March 2020 (USD)	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
A. Cash flow from operating activities					
Net profit / (loss) before tax		15,989	25,943	1,174,605	1,829,293
Depreciation and amortisation		278	274	19,577	19,285
Exchange difference on translation of foreign currency accounts				(1,174,867)	3,028,656
Operating profit/(loss) before working capital changes		**16,267**	**26,217**	**19,315**	**4,877,234**
Adjustment for (increase)/decrease in operating assets					
Trade receivables		36,739	(15,217)	2,685,988	(1,151,470)
Other financial assets		-	(57)	-	(4,313)
Other current assets		2,578	(1,478)	188,513	(111,808)
Adjustment for increase/(decrease) in operating liabilities					
Trade payables		(1,095)	(42,650)	(80,054)	(3,227,327)
Other current liabilities		(45,596)	44,645	(3,333,529)	3,378,293
		8,893	11,460	(519,767)	3,760,608
Taxes paid		1,801	1,552	126,980	109,432
Net cash flow from/(used in) operating activities (A)		**7,092**	**9,908**	**(646,747)**	**3,651,177**
B. Cash flow from investing activities					
Purchase of fixed assets		-	(449)	-	(33,938)
Net cash from/ (used in) investing activities (B)		**-**	**(449)**	**-**	**(33,938)**
Net increase/ (decrease) in cash and cash equivalents (A+B)		**7,092**	**9,459**	**(646,747)**	**3,617,239**
Cash and cash equivalents at the beginning of the year	2.3	**455,154**	**445,695**	**34,441,535**	**30,824,296**
Cash and cash equivalents at the end of the year	2.3	**462,246**	**455,154**	**33,794,788**	**34,441,535**
See accompanying notes forming part of the financial statements	1 & 2				

For and on behalf of the Board of Directors

Dusad Vishnu Rampratap
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Date: 2021.06.02 18:49:38 +05'30'

VISHNU R DUSAD
Director

Place : Noida
Date : 02 June 2021

NUCLEUS SOFTWARE INC.
STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital

(Amount in USD)

Balance as of 1 April 2020	Changes in equity share capital during the year	Balance as on 31 March 2021
350,000	-	350,000

(Amount in USD)

Balance as of 1 April 2019	Changes in equity share capital during the year	Balance as on 31 March 2020
350,000	-	350,000

(Amount in Rupees)

Balance as of 1 April 2020	Changes in equity share capital during the year (refer Note below)	Balance as on 31 March 2021
26,484,500	-	25,588,500

(Amount in Rupees)

Balance as of 1 April 2019	Changes in equity share capital during the year (refer Note below)	Balance as on 31 March 2020
24,206,000	-	26,484,500

Note: There has been no change in equity share capital during the year but closing balances have been restated due to translation from USD to Rupees

B. Other Equity

(Amount in USD)

	Reserves and Surplus	Total
	Retained earnings	
Balance as of 1 April 2020	**126,620**	**126,620**
Profit/(Loss) for the year	11,948	11,948
Interim dividend paid	-	-
Balance as of 31 March 2021	**138,568**	**138,568**

(Amount in USD)

	Reserves and Surplus	Total
	Retained earnings	
Balance as of 1 April 2019	**102,229**	**102,229**
Profit/(Loss) for the year	24,391	24,391
Balance as of 31 March 2020	**126,620**	**126,620**

(Amount in Rupees)

	Reserves and Surplus	Items of OCI	Total
	Retained earnings	Currency Translation reserve	
Balance as of 1 April 2020	**9,857,774**	**(276,388)**	**9,581,386**
Profit/(Loss) for the year	889,674	(340,370)	549,305
Balance as of 31 March 2021	**10,747,447**	**(616,758)**	**10,130,691**

(Amount in Rupees)

	Reserves and Surplus	Items of OCI	Total
	Retained earnings	Currency Translation reserve	
Balance as of 1 April 2018	**8,137,913**	**(1,067,719)**	**7,070,194**
Profit/(Loss) for the year	1,719,861	791,331	2,511,193
Balance as of 31 March 2019	**9,857,774**	**(276,388)**	**9,581,386**

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

Dusad Vishnu Rampratap
Digitally signed by Dusad Vishnu Rampratap
Date: 2021.06.02 18:49:56 +05'30'
VISHNU R DUSAD
Director

Place : Noida
Date : 02 June 2021

Note 1:

1.1 Company Overview

Nucleus Software Inc. ('the Company') was incorporated on 5 August 1997 in the state of New Jersey (USA). The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company'). The principal activities of the Company consists of dealing in software systems and providing support and technical advisory and consultancy services, which are executed through a service level agreement with the Holding Company.

1.2. Significant accounting policies

i.Basis of preparation of financial statements

a) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

The Financial statements were approved for issue by the Board of Directors on 02 June, 2021.

b) Functional and Presentation currency

The financial statements are presented in USD, which is also the Company`s functional currency and financial statements are also translated from USD to Rupees.

c) Basis of measurement

The financial statements have been prepared on the historical basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities (including derivative instruments)	Fair Value

d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Lease classification – Note 2.16

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the subsequent period financial statements is included in the following notes:

- Estimated useful life of property, plant and equipment – Note 2.1
- Impairment of trade receivables- Note 2.2

e) Measurement of fair values

The Company`s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

ii.Revenue Recognition

Revenue from fixed price contracts and sale of license and related customisation and implementation is recognised in accordance with the percentage completion method calculated based on output method. Provision for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become certain based on the current estimates.

Revenue from annual technical service contracts is recognised on a pro rata basis over the period in which such services are rendered.

Revenue from service income for sale and marketing fee from Holding Company is recognised on rendering of services and in accordance with the terms of the contract.

Effective 1 April, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The adoption of the standard did not have any material impact to the financial statements of the Company

iii.Other income

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset ; or
- the amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit- impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

iv. Property, Plant and equipment

Property, Plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Cost of an item of property, plant and equipment includes its purchase price, any directly attributable expenditure on making the asset ready for its intended use. Property, plant and equipment under construction and cost of assets not ready to use before the year end, are disclosed as capital work-in-progress.

Depreciation on property, Plant and equipment, except leasehold land and leasehold improvements, is provided on the straight-line method based on useful lives of respective assets as estimated by the management taking into account nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Leasehold land is amortised over the period of lease. The leasehold improvements are amortised over the remaining period of lease or the useful lives of assets, whichever is shorter. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

The management's estimates of the useful lives of the various property, plant and equipment are as follows:

Asset category	Mangement estimate of useful life (in years)	Useful life as per Schedule II(in years)
Tangible asset		
Plant and machinery (including office equipment)*	5	15
Furniture and fixtures*	5	10

*Based on technical evaluation, the useful lives as given above represent the period over which the management believes to use these assets; hence these lives are different from the useful lives prescribed under Part C of schedule II of the Companies Act, 2013.

v. Financial instruments

a) Recognition and initial measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provision of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

b) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI)-equity investment; or
- Fair value through profit and loss (FVTPL)

Financial asset are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment`s fair value in OCI (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivatives financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

c) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

d) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

vi. Impairment

a) Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost;

At each reporting date, the Company assesses whether financial assets are carried at amortised cost A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses
Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

b) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

vii. Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Post Sales client support and warranties

The Company provides its clients with fixed period warranty for correction of errors and support on its fixed price product orders. Revenue for such warranty period is allocated based on the estimated effort required during warranty period.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

viii.Foreign Currency

a) Foreign currency transactions

Transactions in foreign currencies are translated at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

ix. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year-end, except where the results would be anti-dilutive.

x.Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income**.**

a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b) Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be real.

xi. Cash Flow Statement

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

xii. Operating leases

Lease payments under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term unless such payments are structured to increase in line with expected general inflation to compensate for the lessor`s expected inflation increases.

xiii. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 1 April 2019:

Ind AS - 116

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning 1 April 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided in the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from 1 April 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortization change for the right-to-use asset, and b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease.

On preliminary assessment, no significant impact is expected.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

(1) the entity has to use judgment, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

2.1 PROPERTY, PLANT AND EQUIPMENT

(Amounts in USD)

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 1 April 2020	Additions	Deletion	Currency Translation	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Currency Translation	Deductions/ adjustment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
A. Tangible assets												
Computers	4,016	-	457	-	3,559	3,822	128	-	392	3,559	-	194
	(4,016)	-	-	-	(4,016)	(3,670)	(152)	-	-	(3,822)	(194)	(355)
B. Intangible assets												
Software	449	-	-	-	449	121	150	-	-	271	178	-
	-	(449)	-	-	(449)	-	(121)	-	-	(121)	(328)	-
	-											
Current year	**4,465**	**-**	**457**	**-**	**4,007**	**3,943**	**278**	**-**	**392**	**3,830**	**178**	**194**
Previous year	**(4,016)**	**(449)**	**-**	**-**	**(4,465)**	**(3,670)**	**(273)**	**-**	**-**	**(3,943)**	**(522)**	**(355)**

(Amounts in Rupees)

PARTICULARS	GROSS BLOCK					ACCUMULATED DEPRECIATION					NET BLOCK	
	As at 1 April 2020	Additions	Deletion	Currency Translation	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Currency Translation	Deductions/ adjustment	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
A. Tangible assets												
Computers	286,528	-	32,635	(58,964)	260,199	272,686	8,878	(21,366)	28,955	260,198	-	13,841
	(277,747)	-	-	(26,144)	(303,891)	(253,817)	(10,576)	(24,817)	-	(289,211)	(14,680)	(23,929)
B. Intangible assets												
Software	31,999	-	-	791	32,790	9,118	10,699	(41)		19,776	13,014	-
	-	(33,938)	-	-	(33,938)	-	(8,419)	(699)	-	(9,118)	(24,820)	-
Current year	**318,527**	**-**	**32,635**	**(58,173)**	**292,989**	**281,804**	**19,577**	**(21,407)**	**28,955**	**279,974**	**13,014**	**13,841**
Previous year	**(277,747)**	**-**	**-**	**(26,144)**	**(303,891)**	**(253,817)**	**(10,576)**	**(24,817)**	**-**	**(289,211)**	**(14,680)**	**(23,929)**

Note:
(i) Figures in bracket pertains to previous years.

	Particulars	As at 31 March 2021 (USD)	As at 31 March 2020 (USD)	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
2.2	**TRADE RECEIVABLES**				
	Considered good	32,412	69,151	2,369,641	5,232,656
		32,412	**69,151**	**2,369,641**	**5,232,656**
2.3	**CASH AND CASH EQUIVALENTS**				
	Balance with non scheduled bank in current account :				
	- PNC Bank	42,282	45,399	3,091,220	3,435,374
	- Citibank	419,964	409,755	30,703,568	31,006,161
		462,246	**455,154**	**33,794,788**	**34,441,535**
2.4	**OTHER FINANCIAL ASSETS**				
	(Unsecured, considered good)				
	a. Security Deposit	2,235	2,235	163,401	169,122
		2,235	**2,235**	**163,401**	**169,122**
2.5	**OTHER CURRENT ASSETS**				
	(Unsecured, considered good)				
	a. Prepaid expenses	1,137	3,716	83,133	281,158
		1,137	**3,716**	**83,133**	**281,158**
2.6	**SHARE CAPITAL**				
	a. Authorised				
	Equity Shares 1,000,000 (1,000,000) equity shares of USD 0.35 per share	**350,000**	**350,000**	**25,588,500**	**26,484,500**
	b. Issued, subscribed and paid-Up				
	1,000,000 (1,000,000) equity shares of USD 0.35 each, fully paid up	**350,000**	**350,000**	**25,588,500**	**26,484,500**

Refer notes (i) to (iii) below :-

Notes :

(i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-**

	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Rupees)	31 March 2020 (Rupees)
As at beginning of the year				
- Number of shares	1,000,000	1,000,000	1,000,000	1,000,000
- Amount	350,000	350,000	26,484,500	24,206,000
Shares issued/(bought back) during the year				
- Number of shares	-	-	-	-
- Amount	-	-	-	-
As at end of the year				
- Number of shares	1,000,000	1,000,000	1,000,000	1,000,000
- Amount	350,000	350,000	25,588,500	26,484,500

(ii) **Rights, preferences and restrictions attached to shares :-**

The Company has one class of equity shares having a par value of USD 0.35 each. Each shareholder is eligible for one vote per share held.

(iii) **Details of share held by the Holding Company :-**

Nucleus Software Exports Limited

	31 March 2021 (USD)	31 March 2020 (USD)	31 March 2021 (Rupees)	31 March 2020 (Rupees)
- Number of shares	1,000,000	1,000,000	1,000,000	1,000,000
- Percentage	100%	100%	100%	100%
- Amount	350,000	350,000	25,588,500	26,484,500

	Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
		(USD)	(USD)	(Rupees)	(Rupees)
2.7	**OTHER EQUITY**				
	Retained earning	138,568	126,620	10,130,688	9,581,316
	Other Comprehensive income-Currency translation reserve	-	-	(616,758)	(276,388)
	a. Retained earning				
	Opening balance	126,620	102,229	9,857,774	8,137,913
	Add: Profit / (Loss) for the year	11,948	24,391	889,674	1,719,861
	Closing balance	**138,568**	**126,620**	**10,747,448**	**9,857,774**
	b. Other Comprehensive Income				
	Currency translation reserve				
	Opening balance	-	-	(276,388)	(1,067,719)
	Add: Created during the year	-	-	(340,370)	791,331
	Closing balance	**-**	**-**	**(616,758)**	**(276,388)**
		138,568	**126,620**	**10,130,689**	**9,581,386**

	Particulars	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
		(USD)	(USD)	(Rupees)	(Rupees)
2.8	**TRADE PAYABLES**				
	a. Trade payables				
	i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,442	8,537	544,085	645,993
		7,442	**8,537**	**544,085**	**645,993**
2.9	**OTHER CURRENT LIABILITIES**				
	a. Other payables - statutory liabilities	-	1,957	-	148,090
	b. Other Employees Payable	25	43,664	1,828	3,304,002
		25	**45,621**	**1,828**	**3,452,092**
2.10	**CURRENT TAX LIABILITIES (NET)**				
	a. Provision for income tax	2,173	-	158,877	-
		2,173	**-**	**158,877**	**-**

	Particulars	Year ended 31 March 2021 (USD)	Year ended 31 March 2020 (USD)	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
2.10	**SALES AND SERVICES**				
	a. Service income for sales and marketing fees from Holding company	148,945	235,747	11,058,660	16,622,521
		148,945	**235,747**	**11,058,660**	**16,622,521**
2.11	**OTHER INCOME**				
	a. Net gain on foreign currency transactions	33	153	2,439	10,759
		33	**153**	**2,439**	**10,759**
2.12	**EMPLOYEE BENEFITS EXPENSES**				
	a. Salaries and wages	71,029	136,714	5,292,726	9,639,709
	b. Social Security Employer Cont.	9,984	11,140	740,606	785,457
	c. Staff welfare	14,646	15,000	1,088,466	1,057,650
		95,659	**162,854**	**7,121,798**	**11,482,816**
2.13	**OPERATING AND OTHER EXPENSES**				
	a. Rent	13,278	11,994	986,591	845,667
	b. Rates and taxes	21	-	1,589	-
	c. Power and fuel	-	162	-	11,423
	d. Travelling	1,417	2,842	103,384	200,372
	e. Insurance	87	108	6,535	7,615
	f. Legal and professional charges	11,836	23,358	879,035	1,646,966
	g. Communication	2,305	2,055	171,180	144,898
	h. Conveyance	-	102	-	7,174
	i. Printing and Stationary	-	53	-	3,711
	j. Conference & Seminar	2,622		193,425	-
	k. Advertisement, business developoment and promotion	-	16	-	1,146
	l. Miscellaneous expenses	322	600	19,676	42,338
		31,888	**41,290**	**2,361,415**	**2,911,310**
2.14	**FINANCE COST**				
	a. Bank charges	5,164	5,539	383,705	390,576
		5,164	**5,539**	**383,705**	**390,576**

2.15 RELATED PARTY TRANSACTIONS

List of related parties – where control exists

a. Holding Company
- Nucleus Software Exports Limited, India

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	(USD)	**(USD)**	**(Rupees)**	**(Rupees)**
Transactions with related parties				
a. Sales and Services to Holding Company				
Sales and Marketing Services	148,945	235,747	11,058,660	16,622,521
b. Reimbursement of expenses to				
- Nucleus Software Exports Limited	2,239	2,239	206,370	157,872

Outstanding balances as at year end

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	(USD)	**(USD)**	**(Rupees)**	**(Rupees)**
a. Trade receivable				
- Nucleus Software Exports Limited	32,412	69,151	2,369,641	5,232,656

2.16 Operating Lease

Obligations on long-term, non-cancelable operating leases

The Lease rental expense recognised in the statement of profit and loss for the year in respect of such lease is USD 13,278 (previous year USD 11,994). The future minimum lease payment in respect of such lease is Nil.

2.17 EARNINGS PER SHARE

Particulars	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**
	(USD)	**(USD)**	**(Rupees)**	**(Rupees)**
Basic and Diluted				
a. Profit after tax	11,948	24,391	889,674	1,719,861
b. Weighted average number of equity	1,000,000	1,000,000	1,000,000	1,000,000
c. Earnings per share	0.01	0.02	0.89	1.72

2.18 Financial Instruments

a) Financial Instruments by category

The carrying value and fair value of financial instruments by categories of 31 March 2021 were as follows:

(Amount in USD)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.3)	462,246	-	-	462,246	462,246
Trade receivables (2.2)	32,412	-	-	32,412	32,412
Other financial assets (2.4)	2,235	-	-	2,235	2,235
	496,893	**-**	**-**	**496,893**	**496,893**
Liabilities:					
Trade payables (2.8)	7,442	-	-	7,442	7,442
Other Financials Liabilities (2.9)	25			25	25
	7,467	**-**	**-**	**7,467**	**7,467**

The carrying value and fair value of financial instruments by categories of 31 March 2020 were as follows:

(Amount in USD)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.3)	455,154	-	-	455,154	455,154
Trade receivables (2.2)	69,151	-	-	69,151	69,151
Other financial assets (2.4)	2,235	-	-	2,235	2,235
	526,540	**-**	**-**	**526,540**	**526,540**
Liabilities:					
Trade payables (2.8)	8,537	-	-	8,537	8,537
Other Financials Liabilities	45,621			45,621	45,621
	54,158	**-**	**-**	**54,158**	**54,158**

The carrying value and fair value of financial instruments by categories of 31 March 2021 were as follows:

(Amount in Rupees)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.3)	33,794,788	-	-	33,794,788	33,794,788
Trade receivables (2.2)	2,369,641	-	-	2,369,641	2,369,641
Other financial assets (2.4)	163,401	-	-	163,401	163,401
	36,327,830	**-**	**-**	**36,327,830**	**36,327,830**
Liabilities:					
Trade payables (2.8)	544,085	-	-	544,085	544,085
Other Financials Liabilities (2.9)	1,828			1,828	1,828
	545,913	**-**	**-**	**545,913**	**545,913**

The carrying value and fair value of financial instruments by categories of 31 March 2020 were as follows:

(Amount in Rupees)

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit or loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Assets:					
Cash and cash equivalents (2.3)	34,441,535	-	-	34,441,535	34,441,535
Trade receivables (2.2)	5,232,656	-	-	5,232,656	5,232,656
Other financial assets (2.4)	169,122	-	-	169,122	169,122
	39,843,313	**-**	**-**	**39,843,313**	**39,843,313**
Liabilities:					
Trade payables (2.8)	645,993	-	-	645,993	645,993
Other Financials Liabilities (2.9)	3,452,092			3,452,092	3,452,092
	4,098,085	**-**	**-**	**4,098,085**	**4,098,085**

The carrying amount of current trade receivables, trade payables, security deposit, current financial assets and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature.

b) Financial risk management

The Company's activities expose it to a variety of financial risks arising from financial instruments

- Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of 31 March 2021, the Company had a working capital of USD 488,391 (31 March 2020: USD 476,099)

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2021:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	7,442	-	**7,442**

The table below provides details regarding the contractual maturities of significant financial liabilities as of 31 March 2020:

Particulars	Less than 1 year	1-2 years	Total
Trade payables	8,537	-	**8,537**

2.19 SEGMENT REPORTING

Based on the guiding principles stated in IndAS 108 on "Segment Reporting" with the accounting standards specified under section 133 of the Act, as applicable, the Company has identified its business of providing software development services as one reportable business segment only. Accordingly, no additional disclosure for segment reporting have been made in the financial statements.

2.20 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

For and on behalf of the Board of Directors

Dusad Vishnu Rampratap

Digitally signed by Dusad Vishnu Rampratap
Date: 2021.06.02 18:50:27 +05'30'

VISHNU R DUSAD
Director

Place : Noida
Date : 02 June 2021