

NUCLEUS SOFTWARE LIMITED
BALANCE SHEET AS AT 31 MARCH 2021

Particulars	Notes Ref.	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
ASSETS			
Non-current assets			
Property, plant and equipment	2.1	751,862	955,605
Investment property	2.2	138,917,891	141,877,639
Capital work in Progress		232,800	-
Financial assets			
Investments	2.3	23,000	23,000
Other financial assets	2.4	644,600	644,600
Income tax asset	2.5	840,018	714,878
Other non current assets	2.6	246,637	890,711
		141,656,808	145,106,433
Current Assets			
Financial assets			
Investments	2.7	6,215,973	6,253,648
Trade receivables	2.8	479,569	-
Cash and cash equivalents	2.9	615,748	516,530
Other current assets	2.10	1,347,312	854,996
		8,658,602	7,625,174
TOTAL ASSETS		150,315,410	152,731,607
EQUITY & LIABILITIES			
EQUITY			
Equity share capital	2.11	100,000,000	100,000,000
Other equity	2.12	(1,711,258)	(10,216)
		98,288,742	99,989,784
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	2.13	2,598,141	2,378,159
Deferred tax liabilities	2.14	1,104,308	968,943
Other Non current liabilities	2.15	583,457	833,122
		4,285,906	4,180,224
Current liabilities			
Financial liabilities			
Borrowings	2.16	46,610,225	47,610,221
Trade payables	2.17		
(i) Total outstanding dues of micro enterprises and small enterprises		-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small		382,507	307,865
Other current liabilities	2.18	748,030	643,513
		47,740,762	48,561,599
TOTAL EQUITY AND LIABILITIES		150,315,410	152,731,607

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

In terms of our report attached

For B S R & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number : 116231W/W-100024

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED

GIRISH ARORA
Partner

VISHNU R DUSAD
Managing Director

RAVI PRATAP SINGH
Director

Membership number : 098652

POONAM BHASIN
Company Secretary

RITIKA DUSAD
Chief Financial Officer

Place : New Delhi
Date : 02 June 2021

Place : Noida
Date : 02 June 2021

NUCLEUS SOFTWARE LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH 2021

	Notes Ref.	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
1. REVENUE FROM OPERATIONS			
Rent income	2.19	5,302,544	6,880,709
2. OTHER INCOME	2.20	564,977	1,619,900
3. TOTAL REVENUE (1+2)		5,867,521	8,500,609
4. EXPENSES			
a. Operating and other expenses	2.21	4,054,554	4,425,380
b. Finance cost	2.22	225,314	134,161
c. Depreciation and amortisation expense	2.1 and 2.2	3,163,492	2,840,547
TOTAL EXPENSES		7,443,360	7,400,088
5. PROFIT/ (LOSS) BEFORE TAX (3-4)		(1,575,839)	1,100,521
6. TAX EXPENSE CREDIT/CHARGE			
a. Current tax expense		(10,162)	163,376
b. Deferred tax credit		135,365	95,158
NET TAX EXPENSE		125,203	258,534
7. PROFIT FOR THE YEAR (5-6)		(1,701,042)	841,987
8. OTHER COMPREHENSIVE INCOME		-	-
9. TOTAL COMPREHENSIVE INCOME (7+8)		(1,701,042)	841,987
10. EARNINGS PER EQUITY SHARE			
Equity shares of Rupees 10 each	2.23		
a. Basic		(0.1701)	0.0842
b. Diluted		(0.1701)	0.0842
Number of shares used in computing earnings per share			
a. Basic		10,000,000	10,000,000
b. Diluted		10,000,000	10,000,000
See accompanying notes forming part of the financial statements	1 & 2		

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**NUCLEUS SOFTWARE LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

A. Equity Share Capital

(Amount in Rupees)

Balance as of 1 April 2020	Changes in equity share capital during the year	Balance as on 31 March 2021
100,000,000	-	100,000,000

Balance as of 1 April 2019	Changes in equity share capital during the year	Balance as on 31 March 2020
100,000,000	-	100,000,000

B. Other Equity

(Amount in Rupees)

Particulars	Equity component of interest free loan	Reserves and Surplus	Total
		Retained earnings	
Balance as of 1 April 2020	19,440,188	(19,450,404)	(10,216)
Profit/(Loss) for the year	-	(1,701,042)	(1,701,042)
Balance as of 31 March 2021	19,440,188	(21,151,446)	(1,711,258)

(Amount in Rupees)

Particulars	Equity component of interest free loan	Reserves and Surplus	Total
		Retained earnings	
Balance as of 1 April 2019	19,440,188	(20,292,391)	(852,203)
Profit/(Loss) for the year	-	841,987	841,987
Balance as of 31 March 2020	19,440,188	(19,450,404)	(10,216)

See accompanying notes forming part of the financial statements

In terms of our report attached

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Chief Financial Officer

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Date : 02 June 2021

Place : Noida

Date : 02 June 2021

NUCLEUS SOFTWARE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes Ref.	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
A. Cash flow from operating activities			
Net profit before tax		(1,575,839)	1,100,521
Adjustments for:			
Depreciation and amortisation expense		3,163,492	2,840,547
Reserve for lease equalization		(890,627)	(1,251,563)
Unwinding of interest on security deposit		219,982	133,166
MTM (gain) on mutual funds		(136,412)	(883)
Interest income on security deposit		(249,660)	(162,621)
Dividend income from current investments		-	(1,361,749)
Operating profit before working capital changes		530,936	1,297,418
Adjustment for (increase) / decrease in operating assets			
Trade receivables		(479,572)	298,922
Other assets		1,042,391	(241,101)
Adjustment for increase / (decrease) in operating liabilities			
Other financial Liabilities		-	1,001,809
Trade Payable		(158,158)	(12,402)
Other current liabilities		104,512	995,743
		1,040,109	3,340,389
Income tax paid (net)		(114,978)	487,260
Net cash from operating activities (A)		925,131	3,827,649
B. Cash flow from investing activities			
Acquisition of Property, plant and equipment		-	(647,461)
Acquisition of investment Property		-	(3,772,419)
(Purchase) / sale of current investments		174,087	32,949,431
Net cash from investing activities (B)		174,087	28,529,551
C. Cash flow from financing activities (C)			
Repayment of borrowings from Holding Company		(1,000,000)	(32,500,000)
Net cash from/ (used in) financing activities (C)		(1,000,000)	(32,500,000)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		99,218	(142,800)
Cash and cash equivalents at the beginning of the year	2.9	516,530	659,330
Cash and cash equivalents at the end of the year	2.9	615,748	516,530
See accompanying notes forming part of the financial Statements	1 & 2		

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NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1:

1.1 Company Overview

Nucleus Software Limited ('the Company') was incorporated on 21 April, 2008 in India. The Company's entire share capital is held by Nucleus Software Exports Ltd., India ('the Holding Company') and its nominees.

The Company had acquired 17.41 acres of land in a Special Economic Zone (SEZ) at Jaipur at a private sector multi-product Special Economic Zone, "Mahindra World City" in the year 2008-09. During the year 2010-11, the Company acquired the status of Co-Developer for the above land along with Mahindra World City (Jaipur) Ltd. (MWCJL). This was pursuant to approval granted by Board of Approvals (BOA) of the Ministry of Commerce in their meeting held on 8 June 2010, for developing, operating and maintaining the area of 17.41 acres in the said SEZ. In the first phase, the Company has developed an area of 2.87 acres and has let out a part of the same.

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 2 June 2021.

b) Going concern assumption

As at 31 March 2021, the Company's current liabilities exceed its current assets thereby resulting in a negative working capital situation. However, in view of continued financial support from the Holding Company and in view of the future business plans of the Company, management is of the view that the Company shall be able to continue as a going concern and has accordingly prepared these financial statements on a going concern basis.

c) Functional and Presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

d) Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
 - It is held primarily for the purpose of being traded;
 - It is expected to be realized within 12 months after the reporting date; or
 - It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- Current assets include current portion of the non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within 12 months after the reporting date; or
- The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Current liabilities include current portion of the non-current financial liabilities. All other liabilities are classified as non-current. Deferred tax assets and liabilities (if any) are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has ascertained its operating cycle, being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

e) 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
Net defined benefit(asset)/liability	Fair value of plan assets less present value of defined benefit obligations

f) 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.

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:

- Estimation of deferred tax – Note 2.14
- Estimated useful life of property, plant and equipment and intangibles – Note 1.2 (iv)and (vi)
- Investment property - Note 1.2 (vi)
- Impairment of trade receivables- Note 2.8
- Impairment of property, plant and equipment – Note 1.2 (iv)

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. This includes a treasury team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The treasury team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Rental income from investment property is recognised as part of revenue from operations in the financial statements on a straight-line basis over the term of the lease.

iii. Other income

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

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, 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. 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 the Company.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II(in years)
Tangible asset		
Plant and machinery (including office equipment)*	5	15
Computers- end user devices such laptops, desktops etc.*	3	3
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. Investment Property

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

Property under construction or development for future use as an investment property is classified as investment property under construction.

Depreciation on investment property, except leasehold land, 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 management's estimates of the useful lives are as follows:

Category of investment property	Estimated useful life (in years)
Building	30
Temporary structure *	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.

Any gain or loss on disposal of an investment property is recognized in the statement of profit or loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vi. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

The management's estimates of the useful lives of the Software are 3 years.

vii. Financial instruments

a) Recognition and initial measurement

Trade receivables 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
- 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.

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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.

viii. 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 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).

NUCLEUS SOFTWARE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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 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.

ix. Provisions

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.

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.

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x. Foreign Currency

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.

Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

xi. 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.

xii. 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 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;

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.

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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.

Minimum Alternative Tax ('MAT') expense under the provisions of the Income-tax Act, 1961 is recognised as an asset when it is probable that future economic benefit associated with it in the form of adjustment of future income tax liability, will flow to the Company and the asset can be measured reliably. MAT credit entitlement is set off to the extent allowed in the year in which the Company becomes liable to pay income taxes at the enacted tax rates. MAT credit entitlement is reviewed at each reporting date and is written down to reflect the amount that is reasonably certain to be set off in future years against the future income tax liability. MAT Credit Entitlement has been presented as Deferred Tax in Balance Sheet.

xiii. 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.

xiv. Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

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2.1 Property, plant and equipment and Intangible assets

(Amount in Rupees)

PARTICULARS	GROSS CARRYING AMOUNT			ACCUMULATED DEPRECIATION / AMORTISATION			NET CARRYING AMOUNT		
	As at 1 April 2020	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible assets									
Plant and equipment	2,109,299 (1,099,857)	- (1,009,442)	- -	2,109,299 (2,109,299)	1,153,694 (1,099,854)	203,743 (53,840)	1,357,437 (1,153,694)	751,862 (955,605)	955,605 (3)
Furniture and fixtures	323,239 (323,239)	- -	- -	323,239 (323,239)	323,239 (323,239)	- -	323,239 (323,239)	- -	- -
Total	2,432,538 (1,423,096)	- (1,009,442)	- -	2,432,538 (2,432,538)	1,476,932 (1,423,092)	203,743 (53,840)	1,680,675 (1,476,932)	751,862 (955,605)	955,605 (3)
Intangible assets									
Softwares	2,410 (2,410)	- -	- -	2,410 (2,410)	2,410 (2,410)	- -	2,410 (2,410)	- -	- -
Total	2,434,948 (1,425,506)	- (1,009,442)	- -	2,434,948 (2,434,948)	1,479,342 (1,425,502)	203,743 (53,840)	1,683,085 (1,479,342)	751,862 (955,605)	955,605 (3)

Note 1: Figures in brackets pertain to the relevant previous year.

2.2 Investment Property

PARTICULARS	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION				NET CARRYING AMOUNT		
	As at 1 April 2020	Transfer from Property, plant and equipment	Additions	Deductions / adjustments	As at 31 March 2021	As at 1 April 2020	Transfer from Property, plant and equipment	Depreciation for the year	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020
Tangible assets											
Leasehold land	111,756,053 -	- (111,756,053)	- -	- -	111,756,053 (111,756,053)	5,008,139 -	- (3,756,104)	1,252,035 (1,252,035)	6,260,173 (5,008,139)	105,495,880 (106,747,914)	106,747,914 -
Building	41,020,878 -	- (37,248,459)	- (3,772,419)	- -	41,020,878 (41,020,878)	5,891,153 -	- (4,356,481)	1,707,714 (1,534,672)	7,598,867 (5,891,153)	33,422,011 (35,129,725)	35,129,725 -
Total	152,776,931 -	- (149,004,512)	- (3,772,419)	- -	152,776,931 (152,776,931)	10,899,292 -	- (8,112,585)	2,959,749 (2,786,707)	13,859,040 (10,899,292)	138,917,891 (141,877,639)	141,877,639 -

Measurement of fair values

Particulars	Leasehold Land	Building	Total
At 31 March 2021	310,015,200	38,690,300	348,705,500
At 31 March 2020	281,832,000	39,373,070	321,205,070

There is no impairment as the fair value is greater than the carrying amount of Investment property as at 31 March 2021.

(i) Fair Value Hierarchy

The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and requisite experience of the location and of the category of property being valued. The fair value measurement for all of the investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. There is no impairment as the fair value is greater than the carrying amount of the Investment Property.

(ii) Valuation Techniques

The method of valuation adopted, in the subject instance is Land and Building method under Cost Approach. In this approach value of the land is arrived by taking a survey of the micro market for transactions of similar land parcels in the vicinity. Whereas, value of the building is arrived by analyzing the cost of construction for similar structures. Necessary discounting is considered on building to account for loss in economic value due to depreciation. The value of land and building so arrived is summed to obtain value of the property. Investment property comprises one property that is leased to external party. The lease contains an initial non-cancellable period of 3 years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

This property has been transferred from property, plant and equipment (see Note 1) to investment property, since the building was no longer used by the Company and as such it was decided that the building would be leased to a third party.

(iii) Amount recognised in the Statement of Profit and Loss :

Revenue from operation amounting to Rs 5,302,544 (Previous year Rs 6,880,709) is on account of rental income from investment property during the year 31 March 2021 (see note 2.19). This is after taking in to account reversal of revenue of Rs. 360,818 on account of reserve for lease equalization (Previous year this includes revenue of Rs. 1,251,446 on account of reserve for lease equalization).

(iv) Rental to be received for contracts in hand for investment property

With in 1 years	5,946,651
1 to 5 years	2,014,188
	7,960,839

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Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
2.3 NON CURRENT INVESTMENTS (at amortised cost)		
Non Trade (unquoted)		
Investment in government securities	23,000	23,000
	23,000	23,000
Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
2.4 OTHER NON-CURRENT FINANCIAL ASSETS		
(Unsecured considered good unless otherwise stated)		
Security deposit	644,600	644,600
	644,600	644,600
Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
2.5 INCOME TAX ASSETS		
Advance income tax	840,018	714,878
	840,018	714,878
Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
2.6 OTHER NON-CURRENT ASSETS		
Reserve for lease equalization	246,637	890,711
	246,637	890,711
Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
2.7 CURRENT INVESTMENTS		
Investment in Mutual Funds (Unquoted)		
<i>Mutual funds at fair value through profit or loss (FVTPL)</i>		
1784.25 units (31 March 2020: 1887.56) Kotak Money Market Scheme - Direct Plan - Growth	6,215,973	6,253,648
	6,215,973	6,253,648
Aggregate value of unquoted Investments	6,215,973	6,253,648
Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
2.8 TRADE RECEIVABLES - CURRENT		
Trade receivables		
- Considered good - unsecured	479,569	-
	479,569	-
Particulars	As at	As at
	31 March 2021	31 March 2020
	(Rupees)	(Rupees)
2.9 CASH AND CASH EQUIVALENTS		
Balances with scheduled banks:		
- in current accounts	615,748	516,530
	615,748	516,530

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Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
2.10 OTHER CURRENT ASSETS (Unsecured considered good unless otherwise stated)		
Prepaid expenses	-	79,611
Balance with government authorities	618,995	409,824
Advance to suppliers	84,325	4,709
Reserve for lease equalization	643,992	360,852
	1,347,312	854,996

2.11 SHARE CAPITAL

Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
a. Authorized 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each	100,000,000	100,000,000
b. Issued, Subscribed and Fully Paid-Up 10,000,000 (Previous Year 10,000,000) equity shares of Rupees 10 each.	100,000,000	100,000,000
	100,000,000	100,000,000

Refer note (i) to (iii) below

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

As at the beginning of the year		
- Number of shares	10,000,000	10,000,000
- Amount	100,000,000	100,000,000
Shares issued / (brought back) during the year		
- Number of shares	-	-
- Amount	-	-
As at the end of the year		
- Number of shares	10,000,000	10,000,000
- Amount	100,000,000	100,000,000

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

The Company has one class of equity shares having a par value of Rupees 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iii) Details of shares held by the Holding Company

Nucleus Software Exports Limited

- Number of shares*	10,000,000	10,000,000
- Percentage	100%	100%
- Amount	100,000,000	100,000,000

*Of the above, 6 (previous year 6) equity shares, fully paid up, are held by nominees on behalf of the Holding company.

Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
2.12 OTHER EQUITY		
a. Retained earnings	(21,151,446)	(19,450,404)
b. Equity component of Interest free loan	19,440,188	19,440,188
	(1,711,258)	(10,216)

Particulars	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
a. Retained earnings		
Opening Balance	(19,450,404)	(20,292,391)
Add: Profit for the year	(1,701,042)	841,987
Closing balance	(21,151,446)	(19,450,404)

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b. Equity component of Interest free loan**

(Unsecured Loan from holding company)

Opening balance	19,440,188	19,440,188
Closing balance (refer Note 2.25)	19,440,188	19,440,188
Total	(1,711,258)	(10,216)

**Loan received from Nucleus Software Exports Limited, the Holding Company at Nil interest rate, accounted at amortized cost using prevalent market rate of interest by applying effective interest rate method. An amount of Rs. 19,440,188 has been recognised as deemed equity contribution and presented under Other Equity.

Particulars	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
-------------	-----------------------------------------	-----------------------------------------

2.13 OTHER NON CURRENT FINANCIALS LIABILITIES

Security deposit	2,598,141	2,378,159
	2,598,141	2,378,159

2.14 DEFERRED TAX LIABILITIES (NET)

A. Amounts recognised in profit or loss

Particulars	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
Current tax expense	(10,162)	163,376
Deferred tax expense		
Attributable to -		
Origination and reversal of temporary differences	157,314	247,302
MAT credit (entitlement)	(21,949)	(152,144)
Net tax expense	125,203	258,534

B. Reconciliation of effective tax rate

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before taxes is summarised below:

Particulars	Percentage	Year ended 31 March 2021	Percentage	Year ended 31 March 2020
Profit before tax		(1,575,839)		1,100,521
Domestic tax rate	26%	(409,718)	26%	286,135
Deduction under section 80 IAB	26%	409,718	26%	(286,135)
Origination and reversal of temporary differences	-10%	157,314	22%	247,302
Others	2%	(32,111)	1%	11,232
Effective tax	-8%	125,203	23%	258,534

C. Movement in temporary differences

Particulars	Balances as at 1 April 2020	Recognised [(credited)/charge] in profit or loss	MAT created /(utilised) during the year	As at 31 March 2021
Deferred tax asset				
Brought forward losses	-	340,398	-	340,398
MAT credit entitlement	1,300,895	-	21,949	1,322,844
Deferred tax liabilities				
Property, plant and equipment and Investment property	2,269,838	266,127	-	2,535,965
Rent Equilization reserve	-	231,585	-	231,585
	968,943	157,314	21,949	1,104,308

The utilisation of MAT credit entitlement is depending on future taxable profits. The MAT credit entitlement is recognised only to the extent that the probable future taxable profits will be available against which MAT credit entitlement can be utilised.

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Particulars	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
2.15 OTHER NON CURRENT LIABILITIES		
Deferred rent	583,457	833,122
	583,457	833,122

Particulars	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
2.16 SHORT TERM BORROWINGS		
Unsecured loans		
Loan from holding company (refer Note 2.25)	46,610,225	47,610,221
	46,610,225	47,610,221

Note : The above loan is repayable on demand after five years from 1 April 2013 and is interest free. During the year ended 31 March, 2021, the Company has repaid Rs. 10,00,000 (Previous year Rs. 32,500,000)

Movement in borrowings

Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
Borrowings at the beginning of the year	47,610,221	80,110,221
Movement due to cash transactions per the statement of cashflows	999,996	32,500,000
Borrowings at the end of the year	46,610,225	47,610,221

Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
2.17 TRADE PAYABLES		
Trade payables (see Note below)		
-Total outstanding dues of micro enterprises and small enterprises	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises (see Note below)	290,994	307,865
Due to holding company (refer note 2.24)	91,513	-
	382,507	307,865

Note: The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filling of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2021 and 31 March 2020 have been made in the financials statements based on information received and available with the Company.

	As at 31 March 2021		As at 31 March 2020	
	Principal	Interest	Principal	Interest
a) Amount due to vendor	-	-	-	-
b) Principal amount paid (including interest paid) beyond the appointed date	-	-	-	-
c) Interest due and payable for the period of delay in making payment	-	-	-	-
d) Interest accrued and remaining unpaid	-	-	-	-
e) Further interest remaining due and payable for the purpose of disallowance of a deductible expenditure under section 23	-	-	-	-
	-	-	-	-

Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
2.18 OTHER CURRENT FINANCIALS LIABILITIES		
Statutory liabilities	18,800	31,871
Payable for purchase of Property, plant and equipment	-	361,981
Deferred rent	249,661	249,661
Deferred revenue	479,569	-
	748,030	643,513

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Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	(Rupees)	(Rupees)
2.19 INCOME FROM RENTAL SERVICES		
Rental income	5,302,544	6,880,709
	5,302,544	6,880,709
2.20 OTHER INCOME		
Dividend income from - Current, non trade investments	-	1,361,749
MTM gain or (loss) on mutual funds	136,412	883
Profit on Sale of investment	176,065	-
Interest on income tax refund	2,840	94,647
Deferred lease income on security deposit received	249,660	162,621
	564,977	1,619,900
2.21 OPERATING AND OTHER EXPENSES		
Power and fuel	4,319	-
Repair and maintenance - Buildings	2,402,580	2,434,620
- Others	487,161	870,196
Insurance	82,559	37,812
Rates and taxes	126,834	4,200
Legal and professional (refer note below)	373,001	620,115
Directors' sitting fees	560,000	440,000
Miscellaneous expenses	18,100	18,437
	4,054,554	4,425,380
Note:		
Legal and professional expenses includes audit fee (excluding taxes):		
As auditors - statutory audit	150,000	150,000
Outlays	4,500	4,500
	154,500	154,500
2.22 FINANCE COST		
Bank charges	5,332	995
Unwinding of interest on security deposit	219,982	133,166
	225,314	134,161
2.23 EARNINGS PER SHARE		
Profit/(Loss) after taxation available to equity shareholders (Rupees)	(1,701,042)	841,987
Weighted average number of equity shares used in calculating earnings per share - Basic and Diluted	10,000,000	10,000,000
Basic and Diluted earnings per share (Rupees)	(0.1701)	0.0842

2.24 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:

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	Level 1	Level 2	Level 3
Assets:								
Cash and cash equivalents (2.9)	615,748	-	-	615,748	615,748			
Investments (2.3 and 2.7)								
Mutual funds	-	6,215,973	-	6,215,973	6,215,973	6,215,973	-	-
Government securities	23,000	-	-	23,000	23,000			
Trade receivables (2.8)	479,569	-	-	479,569	479,569			
Other financial assets (2.4)	644,600	-	-	644,600	644,600			
	1,762,917	6,215,973	-	7,978,890	7,978,890			
Liabilities:								
Trade payables (2.17)	382,507	-	-	382,507	382,507			
Borrowings (2.16)	46,610,225	-	-	46,610,225	46,610,225			
Other financial liabilities (2.13)	2,598,141	-	-	2,598,141	2,598,141			
	46,992,733	-	-	46,992,733	46,992,733			

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

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	Level 1	Level 2	Level 3
Assets:								
Cash and cash equivalents (2.9)	516,530	-	-	516,530	516,530			
Investments (2.3 and 2.7)								
Mutual funds	-	6,253,648	-	6,253,648	6,253,648	6,253,648	-	-
Government securities	23,000	-	-	23,000	23,000			
Trade receivables (2.8)	-	-	-	-	-			
Other financial assets (2.4)	644,600	-	-	644,600	644,600			
	1,184,130	6,253,648	-	7,437,778	7,437,778			
Liabilities:								
Trade payables (2.17)	307,865	-	-	307,865	307,865			
Borrowings (2.16)	47,610,221	-	-	47,610,221	47,610,221			
Other financial liabilities (2.13)	2,378,159	-	-	2,378,159	2,378,159			
	50,296,245	-	-	50,296,245	50,296,245			

The carrying amount of current trade receivables, trade payables, other current financial asset and cash and cash equivalent are considered to be same as their fair values, due to their short-term nature. The fair value of Non-current security deposit and borrowings were calculated based on cashflows discounted using a transition date lending rate as there is no material change in the lending rate.

Fair value hierarchy

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

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

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

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- for forward exchange contracts, the fair value is determined using quoted forward exchange rates at the reporting date.
- the fair value of remaining financial instruments is determined using discounted cash flows method.

b) Financial risk management

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

- Market risk,
- Credit risk and
- Liquidity risk

i) Market risk

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company operates locally and the entire business is transacted in INR and consequently the Company is not exposed to foreign exchange risk.

(i) Price risk

(a) Exposure

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet at fair value through profit or loss.

(b) Sensitivity

The sensitivity of profit or loss in respect of investments in mutual funds at the end of the reporting period for +/- 2% change in price and net asset value is presented below:

	Impact on profit before tax	
	31 March 2021	31 March 2020
Increase 2%		
Mutual funds	124,319	125,073
Decrease 2%		
Mutual funds	(124,319)	(125,073)

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ii) Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counter party fails to make contractual payments within 90 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 479,569 and Rs. Nil as of 31 March 2021 and 31 March 2020 respectively. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The Company has nil expected credit loss allowance.

Credit risk exposure

The company generates revenue by way of rental income which is received in advance. Therefore, at any point of time there are no long outstanding receivables. Hence the company has no exposure to credit risk in respect of trade receivables.

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in mutual fund units.

a) Expected credit loss for loans, security deposits and Investments

As at 31 March 2021

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	667,600	0%	-	667,600
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA

As at 31 March 2020

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	Security deposits	667,600	0%	-	667,600
Loss allowance measured at life-time expected credit loss	Financial assets for which credit risk has increased significantly and not credit-impaired	NA	NA	NA	NA	NA
	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA

b) Expected credit loss for trade receivables under simplified approach

As at 31 March 2021

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	479,569	-	-	-	-	-	479,569
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
carrying amount of trade receivables (net of impairment)	479,569	-	-	-	-	-	479,569

As at 31 March 2020

Ageing	Not due	0-90 days past due	90-180 days past dues	180-270 days past dues	270-360 days past dues	More than 360 days past dues	Total
Gross carrying amount	-	-	-	-	-	-	-
Expected credit losses (Loss allowance provision)	-	-	-	-	-	-	-
carrying amount of trade receivables (net of impairment)	-	-	-	-	-	-	-

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iii) 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 outstanding borrowings from holding companies which is repayable on demand after 31 March 2018. The Company believes that the working capital is sufficient to meet its current requirements.

As of 31 March, 2021, the Company has a negative working capital of Rs. 39,082,160 including cash and cash equivalent of Rs. 615,748 and current investment of Rs. 6,215,973 (As at 31 March 2020, negative working capital of Rs. 40,936,426 including cash and cash equivalents of Rs 516,530 and current investment of Rs. 6,253,648).

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	2-5 years	Total
Trade payables	382,507	-	-	382,507
Other financial liabilities	-	-	2,598,141	2,598,141
Borrowings	46,610,225	-	-	46,610,225

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	2-5 years	Total
Trade payables	307,865	-	-	307,865
Other financial liabilities	-	-	2,378,159	2,378,159
Borrowings	47,610,221	-	-	47,610,221

C) Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefit other stakeholders and
- maintain an appropriate capital structure

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management in deployment of funds so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the Company defines as result from operating activities divided by total shareholders' equity.

The Company monitors capital, using a medium term view of three to five years, on the basis of a number of financial ratios generally used by industry and by the rating agencies. The Company is not subject to externally imposed capital requirements.

	As at 31 March 2021	As at 31 March 2020
Total Liabilities	52,026,668	52,741,823
Less: Cash and cash equivalents	615,748	516,530
Adjusted debt	51,410,920	52,225,293
Total equity	98,288,742	99,989,784
Adjusted net debt to equity ratio	52%	52%

(i) Risk management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, raise debts or issue new shares.

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2.25 RELATED PARTY TRANSACTIONS

List of related parties

- a. Holding Company - where control exists**
- Nucleus Software Exports Limited
- b. Key Management Personnel**
- Vishnu R Dusad, Managing Director
- c.** - Ritika Dusad (Chief Financial Officer) effective 18 December 2020.
(Relative of KMP)

Particulars	Year ended 31 March 2021 (Rupees)	Year ended 31 March 2020 (Rupees)
Transactions with related parties		
a. Prepayment of borrowings		
- Nucleus Software Exports Limited	1,000,000	32,500,000
b. Reimbursement of expenses to		
- Nucleus Software Exports Limited	94,658	1,172

Outstanding balances as at year end

Particulars	As at 31 March 2021 (Rupees)	As at 31 March 2020 (Rupees)
a. Borrowings		
- Nucleus Software Exports Limited	46,610,221	47,610,221
a. Other Payables		
- Nucleus Software Exports Limited	91,513	-

2.26 In view of pandemic relating to COVID -19, the Company has considered internal and external information and has performed its analysis based on current estimates in assessing the recoverability of trade receivables and other financial assets, for possible impact on the financial statements. However, the actual impact of COVID-19 on the Company's financial statements may differ from that estimated and the Company will continue to closely monitor any material changes to future economic conditions.

2.27 SEGMENT REPORTING

Based on the guiding principles stated in Ind AS 108 on "Segment Reporting" with the accounting standards specified under section 133 of the Act, as applicable, the Chief Operating Decision Maker (CODM) has identified its business of earning rental income from its investment property as the only reportable operating segment. Accordingly, no additional disclosure for segment reporting have been made in these financial statements.

For **B S R & ASSOCIATES LLP**
Chartered Accountants
Firm Registration Number:116231W/W-100024

For and on behalf of the Board of Directors
NUCLEUS SOFTWARE LIMITED

GIRISH ARORA
Partner
Membership number : 098652

VISHNU R DUSAD
Managing Director

RAVI PRATAP SINGH
Director

POONAM BHASIN
Company Secretary

RITIKA DUSAD
Chief Financial Officer

Place : New Delhi
Date : 02 June 2021

Place : Noida
Date : 02 June 2021