NETESOFT INDIA LIMITED
Regd. Office : 401, Buldg-2, Sector-1,
MilleniumBusinessPark, Mahape,
Navi Mumbai 400 710
CIN: U72200MH2000PLC123711

To,
The Members,
Netesoft India Limited

Your Directors have pleasure in presenting herewith their Twenty Second Annual Report on the business and operation of the Company together with the Audited Statements of Accounts of the Company for the year ended on 31st March, 2021.

1. KEY HIGHLIGHTS OF THE FINANCIALS:-

₹ in Lakh

PARTICULARS	2020-21	2019-20
Revenue from Operations	145.74	2312.60
Other Income	182.64	105.93
Total Income	**328.38**	**2418.53**
Operating Expenditure	183.44	2090.57
Profit/ loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	144.94	327.94
Less: Depreciation/ Amortisation/ Impairment	53.52	59.72
Less: Finance Costs	1.88	4.00
Profit /loss before Exceptional items and Tax Expense	89.54	264.22
Add/(less): Exceptional items	-	-
Profit /loss before Tax Expense	89.54	264.22
Less: Provision for Current Tax	23.50	118.43
Less: Provision for Deferred Tax (credit)/charge	0.69	-11.09
Profit after Tax (A)	65.35	156.88
Total Comprehensive Income/Loss (B)	1286.67	-163.21
Total (A+B)	**1352.02**	**-6.33**
Balance of profit /loss for earlier years	3405.62	3430.42
Less: Dividend paid on Equity Shares during the year *(including Dividend Distribution Tax)	15.32	18.47
Profit available for Appropriation	**4742.32**	**3405.62**
Balance carried to Balance Sheet	**4742.32**	**3405.62**

*Dividend distribution tax not applicable wef April 01, 2020.

2. Operations

The Company has reported ₹ 328.38 Lakh income for the financial year 2020-21. Income for the previous financial year was ₹ 2418.53 Lakh. During the year under review, company booked PAT of ₹ 65.35 Lakh as compared to PAT of ₹ 156.88 Lakh for the previous financial year.

Business Continuity during Covid-19 pandemic.

The outbreak of Coronavirus (COVID -19) pandemic globally is causing significant disturbance and slowdown of economic activity. The Company adopted the work from home policy for the employees, during the entire lockdown period. As such there's no issues arisen given the nature of business activities of the company. We have a debt free balance sheet and the focus is on preserving cash flows and cost optimization measures.

3. Transfer to reserves

Your Directors has decided not to transfer any amount to the reserves during the financial year 2020-21.

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4. **Dividend**
During the financial year 2020-2021, your board of directors have declared interim dividend@ 10% of ₹1 per share aggregating to₹ 15,32,100/-. The Interim Divided be considered as Final Dividend.

5. **Material Changes between the date of the Board report and end of financial year.**
No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

6. **Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:**
During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

7. **Subsidiary Company:**
As on March 31, 2021, the Company has no subsidiary company. However, your company is a subsidiary of United Interactive Limited.

8. **Statutory Auditor & Audit Report:**
The tenure of the Statutory Auditors of the Company M/s. D N Kanabar & Co., Chartered Accountants, having Firm Registration number 104698W is upto five years with effect from conclusion of 20th Annual General Meeting held on 30th September 2019 till the conclusion of 25th Annual General Meeting.

The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed. Necessary resolution for ratification of appointment of the said Auditors is included in the Notice of Annual General Meeting for seeking approval of members.

The Statutory Auditors' Report for the financial year 2020-21 does not contain any qualification, reservation or adverse remarks.

9. **Change in the nature of business:**
There is no change of nature of business of the Company during the financial year 2020-21.

10. **Details of directors or key managerial personnel;**

The Board regretfully report, the sad demise of Mr. Rasik Somaiya, Non-executive Director of the Company after prolonged illness on 1st May 2021. The Board further express their heartfelt condolences for his death and wishes to put on record their sincere and deep appreciation for his invaluable guidance and contribution.

Mr. Prafullachandra Kakubhai Teli (DIN: 0009168810) is appointed as an Additional Non-Executive Director on the Board w.e.f. 08/05/2021, who is liable to vacate at the coming Annual general meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director, your board recommends his appointment at the coming Annual general meeting as a director liable to retire by rotation, and being more than 70 years of age, it seeks consent of the members of the Company way of passing of special resolution.

11. **Deposits:**
The Company has not invited/ accepted any deposits from the public during the year ended March 31, 2021. There were no unclaimed or unpaid deposits as on March 31, 2021.

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12. **Conservation of energy, technology absorption, foreign exchange earnings and outgo:**
Since the company is not engaged in any manufacturing activity, the directors have nothing to report on Conservation of energy, Research & Development & Technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, are Nil.

13. **Corporate Social Responsibility:**
Your company is committed to improve quality of lives of people in the community its serves through long term stakeholder value creation, with special focus on skills development. The Company does not have to mandatorily constitute a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The company fully understands its role in society and is committed for sustainable & inclusive growth of people & the environment around its business.

14. **Number of meeting of the Board:**
During the year 2020-21, the Board of Directors met 5 (Five) times viz. on

29/06/2020, 21/07/2020, 28/09/2020, 01/12/2020 & 24/03/2021

15. **Directors' Responsibility Statement:**
Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) In the preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit and loss of the company for that period;

(iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) The directors have prepared the annual accounts on a going concern basis; and

(v) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. **Declaration by Independent Directors**
The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.Therefore, no such declaration has been obtained.

17. **Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (*3*) of section 178;**
The Company is not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

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18. **Particulars of loans, guarantees or investments under section 186:**
During the year under review, the Company has not advanced any loans/ given guarantees/ made investments.

19. **Particulars of Employee:**
None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

20. **Extract of Annual Return:**
Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, Extract of the Annual Return for the financial year ended March 31, 2021 made under the provisions of Section 92(3) of the Act is attached as Annexure A which forms part of this Report.

21. **Related Party Transactions:**
All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014:

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of material contracts or arrangement or transactions at arm's length basis:

Particulars	**For the year ended 31st March, 2021**	**For the year ended 31st March, 2020**
1. Smt. Sarayu Somaiya – Director Remuneration	13,78,400	13,78,400
Depreciation on Leased Assets	21,16,311	21,16,311
Finance Cost on Lease Liabilities	1,10,083	3,01,893
Perquisite – Movable Assets	-	33,000
(* refer note below)		
2. Shri Hemang Joshi – Director Remuneration	17,48,400	16,78,400
3. Ganesh Keshav Securities Pvt. Ltd.		
Recognition of Lease Liabilities	-	12,36,219
At the beginning of the year	8,85,822	-
Repayment of Lease Liabilities	2,21,382	3,50,398
Finance Cost on Lease Liabilities	78,618	99,602

Name of Related Party	**Outstanding amount carried in Balance Sheet**	
	As at 31st March, 2021	**As at 31st March, 2020**
Ganesh Keshav Securities Pvt. Ltd.		
Liabilities: Lease Liabilities	6,64,439	8,85,822

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***Note:**
Since the said leased assets is being used by one of the directors for residential purpose, the said depreciation and interest on lease liabilities is considered as related party transaction.

In case Ind AS-116 would not have been applied, there would be perquisite of Rs.22,20,000 (rent of leased premises) instead of depreciation on leased assets of ₹21,16,311 and interest on lease liabilities of ₹1,10,083.

****Note:**
Since the licensee is group company, the said recognition of lease liabilities and finance cost thereon are related party transaction.

In case Ind AS-116 would not have been applied, there would be rent expense of ₹3,00,000 instead of repayment of lease liabilities and finance cost thereon. Also, there would be no outstanding lease liability instead there would be security deposit receivable amounting to Rs.1,50,000.

Acknowledgments:
Your Directors take this opportunity to place on record their appreciation and sincere gratitude to the Government of India, Government of Maharashtra, and the Bankers to the Company for their valuable support and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

For Netesoft India Limited

Sarayu Somaiya

Sarayu Somaiya	**Hemang Joshi**
WT. Director	**WT. Director**
DIN: 00153136	**DIN: 03431116**

NETESOFT INDIA LIMITED NAVI MUMBAI

Place: Mumbai
Date : June 29, 2021

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2021

[Pursuant to sec 92(3) of the Companies Act, 2013 & rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN:-	U72200MH2000PLC123711
Registration Date	January18, 2000
Name of the Company	NETESOFT INDIA LIMITED
Category / Sub-Category of the Company	Non-government –Private company limited by shares
Address of the Registered office and contact details	Office No 401 Building No 2 Sector I Millenium Business Park Mahape Navi Mumbai – 400 710 Maharashtra INDIA Email Id : ask4hemang@gmail.com
Whether listed company	No
Name, Address and Contact details of Registrar and Transfer Agent, if any :	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.no	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Investment in Securities	9971	100%
2	Information and communication	9983	--

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr.no:	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1.	TORAL FARMS PRIVATE LIMITED	U56990MH1990PTC057015	Associate	39.37%	2(6)
2	UNITED INTERACTIVE LIMITED	L72900MH1983PLC030920	Holding	51%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year	
	Demat	Physical	Total	%	Demat	Physical	Total	%	No.	%
Promoters		15,31,700	15,31,700	99.97%		15,31,700	15,31,700	99.97%	--	---
Public Shareholders		400	400	0.03%		400	400	0.03%		
									--	---
Grand Total		**15,32,100**	**15,32,100**	**100%**		**15,32,100**	**15,32,100**	**100%**	--	---

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(ii)Shareholding of Promoters

S.no	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at theend of the year			
		No. of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in shareholding during the year
1	Rasiklal Somaiya	100	0.01	-	100	0.01	-	-
2	Sarayu Somaiya	1,00,200	6.54	-	1,00,200	6.54	-	-
3	United Interactive Ltd	7,81,400	51.00	-	7,81,400	51.00	-	
4	India Technology Investments Pvt Ltd	6,50,000	42.43	-	6,50,000	42.43	-	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in the shareholding of the promoters during the year, hence details in prescribed form are not reported here.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Not Applicable

(vi) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1.	**For Each of the Directors and KMP**	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
RasikSomaiya (Director)	At the beginning of the year	**100**	**0.01%**	**100**	**0.01%**
	Date wise Increase / Decrease in Shareholding during the year	NIL	NIL	None of the Directors had any transaction in the shares of the Company during the year	
	At the End of the year	**100**	**0.01%**	**100**	**0.01%**
Sarayu Somaiya(WTD)	At the beginning of the year	**1,00,200**	**6.54%**	**1,00,200**	**6.54%**
	Date wise Increase / Decrease in Shareholding during the year	**Nil**	**Nil**	None of the Directors had any transaction in the shares of the Company during the year	
	At the End of the year	**1,00,200**	**6.54%**	**1,00,200**	**6.54%**
Hemang Joshi (WTD)	At the beginning of the year	**Nil**	**0.00%**	**Nil**	**0.00%**
	Date wise Increase / Decrease in Shareholding during the year	**Nil**	**0.00%**	None of the Directors had any transaction in the shares of the Company during the year	
	At the End of the year	**Nil**	**0.00%**	**Nil**	**0.00%**

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V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (In ₹ Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)		NIL		NIL
Change in Indebtedness during the financial year • Addition • (Reduction)	NIL	NIL	NIL	NIL
Net Change				
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Sarayu Somaiya	Hemang Joshi	---	---	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2)Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	**13,78,400** **2,21,560**	**17,48,400** -			**31,26,800** **2,21,560**
2.	Stock Option					NIL
3.	Sweat Equity					NIL
4.	Commission - as % of profit - others, specify...					NIL
5.	Others, please specify					NIL
	Total (A)	**15,99,960**	**17,48,400**			**33,48,360**
	Ceiling as per the Act	--				NIL

NETESOFT INDIA LIMITED NAVI MUMBAI

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	----	----	---	
	1. Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify					NIL
	Total (1)					NIL
	2. Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify					NIL
	Total (2)					NIL
	Total (B)=(1+2)					NIL
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					NIL
						NIL

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit -others, specify...	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total	**NIL**	**NIL**	**NIL**	**NIL**

NETESOFT INDIA LIMITED
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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		

For Netesoft India Limited

Sarayu Somaiya

Sarayu Somaiya	**Hemang Joshi**	NETESOFT INDIA LIMITED NAVI MUMBAI
WT. Director	**WT. Director**	
DIN: 00153136	**DIN: 03431116**	

Place: Mumbai
Date: June 29, 2021

D. N. Kanabar & CO
Chartered Accountants

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Tel.: 022 – 2202 0228 / 2202 2832 ,
Email Id: dnkco.ca@gmail.com

Independent Auditor's Report

To,
The Members,
Netesoft India Limited

Report on the Audit of the Financial Statements

Opinion
We have audited the standalone financial statements of Netesoft India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

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

Other Matter
Due to COVID-19 pandemic and the related lock-down and other restrictions imposed by the Government and the local administrations, the audit process was carried out based on the remote access to the extent available / feasible and necessary records made available by the management through digital medium.

Other Information
The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements
The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

D. N. Kanabar & CO
Chartered Accountants

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and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including

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MUMBAI
CHARTERED ACCOUNTANTS

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the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   i. the Company has disclosed the impact of pending litigations on its financial position in the financial statements – refer note 23 to the Financial Statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses:;

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

D. N. Kanabar & CO
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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Companies Act, 2013:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of the Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For D. N. Kanabar & Co
Chartered Accountants
FRN: 104698W

Kanabar

Deepak Kanabar
Proprietor
Membership No.: 041157

Mumbai, June 29, 2021

UDIN: 21041157AAAACT5096

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"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1(f) under the heading of Report on Other Legal and Regulatory Requirements" in our Independent Auditor's Report of even date on the Financial Statements for the year ended March 31, 2021.

(i) (a) According to information and explanations given to us and the records examined by us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) According to information and explanation given to us, the Fixed Assets of the Company have been physically verified by the Management at reasonable intervals. Further, no material discrepancies were noticed on such verification.

(c) According to information and explanation given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the Company.

(ii) According to information and explanation given to us, the Company deals in shares and securities of other companies. The inventory of shares and securities are held in dematerialized form with depositories. In our opinion, the physical verification of demat statements is done at reasonable intervals by the management and no material discrepancies were noticed on such verification.

(iii) According to information and explanation given to us, the company has not granted any loan, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence, the provisions of clause 3 (iii) (a), (b) & (c) of the Order are not applicable to the Company.

(iv) According to information and explanation given to us, the Company has not granted any loan, made investment, given guarantee or provided security. Hence, the provisions of clause (iv) of the Order are not applicable to the Company.

(v) According to information and explanation given to us, the Company has not accepted any deposit from the public. Hence, the provisions of clause (v) of the Order are not applicable to the Company.

(vi) According to information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under section 148(1) of the Act. Hence, the provisions of clause (vi) of the Order are not applicable to the Company.

(vii) According to the records maintained by the Company, examined by us and information and explanation given to us:

(a) the Company has been generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Service Tax, Goods & Service Tax, Cess and any other statutory dues during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date they become payable.

(b) According to information and explanation given to us, there are no dues required to be deposited since the company does not have any pending litigation.

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

(viii) According to information and explanation given to us, the company has not raised any loans or borrowings from a financial institution. Hence, the provisions of clause (viii) of the Order are not applicable to the Company.

(ix) According to information and explanation given to us, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or availed term loans during the year. Hence, the provisions of Clause (ix) of the Order are not applicable to the Company.

(x) According to information and explanation given to us, no fraud by or on the company by its officers or employees has been noticed or reported during the year.

(xi) According to information and explanation given to us and based on our examination of the records of the Company, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Act.

(xii) According to information and explanation given to us, the Company is not a Nidhi Company. Hence, the provisions of Clause (xii) of the Order are not applicable to the Company.

(xiii) According to information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards

(xiv) According to information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Hence, the provisions of Clause (xiv) of the Order are not applicable to the Company.

(xv) According to information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence, the provisions of Clause (xv) of the Order are not applicable to the Company.

(xvi) According to information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 for the year 2020-21.

For D. N. Kanabar & Co
Chartered Accountants
FRN: 104698W

Kanabar

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Deepak Kanabar
Proprietor
Membership No.: 041157

Mumbai, June 29, 2021

UDIN: 21041157AAAACT5096

D. N. Kanabar & CO
Chartered Accountants

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Annexure B" to the Independent Auditor's Report

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

We have audited the internal financial controls over financial reporting of **Netesoft India Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For D. N. Kanabar & Co
Chartered Accountants
FRN: 104698W

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Deepak Kanabar
Proprietor
Membership No.: 041157

Mumbai, June 29, 2021

UDIN: 21041157AAAACT5096

NETESOFT INDIA LIMITED

CIN: U72200MH2000PLC123711

Balance Sheet as at March 31, 2021

(Amount in ₹)

Particulars	Note No.	31-Mar-21 ₹	31-Mar-20 ₹
A ASSETS			
1 Non-current assets			
a Property, plant & equipment	3	4,40,78,458	4,91,94,679
b Intangible asset	3	15,316	21,064
c Investment in properties	4	4,89,19,451	4,89,19,451
c Financial assets			
(i) Investment	5.1	39,12,03,403	15,63,05,137
(ii) Other financial asset	5.2	16,98,487	16,22,575
e Deffered tax assets	6	-	10,20,221
f Other non-current assets	7	53,32,287	56,20,803
2 Current assets			
a Inventories	8	2,09,66,423	54,05,500
b Financial assets			
(i) Cash & cash equivalent	9.1	7,50,72,261	17,17,17,193
(ii) Trade receivable	9.2	5,22,349	-
(iii) Other financial asset	9.3	33,448	1,23,966
c Other current assets	10	13,51,968	12,08,244
TOTAL		**58,91,93,849**	**44,11,58,834**
B EQUITY AND LIABILITIES			
1 Equity			
a Share capital	11	1,53,21,000	1,53,21,000
b Other equity	12	54,99,08,217	41,62,37,938
Non-current liabilities			
2 Financial liability			
a Other Long Term Liabilities	13	63,91,665	62,73,048
3 Deffered tax liability	6	1,65,00,432	-
4 Current liabilities			
a Other current liabilities	14	10,72,535	33,26,848
TOTAL		**58,91,93,849**	**44,11,58,834**
Significant Accounting Policies	2		

As per our attached report of even date
For D N Kanabar & Co.
Chartered Accountants
(FRN 104698W)

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Kanabar

Deepak Kanabar
Proprietor
Membership No.041157

Mumbai, June 29, 2021

For and on behalf of the Board
Netesoft India Limited

Sarayu Somaiya
Sarayu Somaiya
Whole Time Director
DIN: 00153136

Hemang Joshi
Whole Time Director
DIN: 03431116

NETESOFT INDIA LIMITED NAVI MUMBAI

NETESOFT INDIA LIMITED

CIN: U72200MH2000PLC123711

Statement of Profit and Loss for the year ended March 31, 2021

(Amount in ₹)

	Particulars	Note No.	31-Mar-21 ₹	31-Mar-20 ₹
1	Revenue from operations	15	1,45,73,425	23,12,60,238
2	Other income	16	1,82,64,146	1,05,92,459
	Total Revenue (I + II)		**3,28,37,570**	**24,18,52,697**
3	**Expenses:**			
	Purchases - Securities		2,08,35,923	10,94,89,097
	Changes in Inventories		(1,55,60,923)	8,40,96,469
	Employee benefits expenses	17	73,75,923	75,05,969
	Depreciation and amortisation	3	53,51,842	59,71,700
	Other expenses	18	56,92,271	79,66,017
	Finance Cost	19	1,88,701	4,01,495
	Total expenses		**2,38,83,736**	**21,54,30,748**
	Profit before tax (III-IV)		**89,53,834**	**2,64,21,949**
4	Tax expense:	20		
	(1) Current tax		(23,50,000)	(1,18,43,192)
	Less: Mat Credit			-
	Net Current Tax		(23,50,000)	(1,18,43,192)
	(2) Taxes of earlier years		-	10,35,756
	(3) Deferred tax		(69,314)	73,183
			(24,19,314)	(1,07,34,253)
	Profit (Loss) for the period (V - VI)		**65,34,519**	**1,56,87,696**
5	**Other Comprehensive Income / (Losses)**			
A	**Items that may be reclassified subsequently to profit and loss A/c**			
	Changes in fair value of financial assets		14,61,19,199	(1,74,25,913)
	Income Tax thereon		(1,74,51,339)	11,04,625
	Total (Net of Tax)		**12,86,67,860**	**(1,63,21,288)**
	Total Comprehensive Income		**13,52,02,379**	**(6,33,591)**
6	**Earnings per equity share: Basic & diluted**	21	**4.27**	**10.24**
	Weighted average number of equity shares		**15,32,100**	**15,32,100**
	Significant Accounting Policies	2		

As per our attached report of even date
For D N Kanabar & Co.
Chartered Accountants
(FRN 104698W)

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

Deepak Kanabar
Proprietor
Membership No.041157

Mumbai, June 29, 2021

For and on behalf of the Board
Netesoft India Limited

NETESOFT INDIA LIMITED NAVI MUMBAI

Sarayu Somaiya
Whole Time Director
DIN: 00153136

Hemang Joshi
Whole Time Director
DIN: 03431116

Netesoft India Limited

CIN: U72200MH2000PLC123711

Statement of Changes in Equity

(a) Equity share capital

(Amount in ₹)

Particulars	Amount
Balance at March 31, 2020	1,53,21,000
Balance at March 31, 2021	1,53,21,000

(b) Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus				Total
	Retained Earnings	Reserve for Equity/Debt Instruments through OCI	Securities Premium Reserve	General Reserve	
Balance at the beginning of reporting period i.e. April 01, 2019	**29,32,39,219**	**4,98,03,318**	**-**	**7,56,76,021**	**41,87,18,557**
Profit for the year	1,56,87,696				
Net fair value gain on investments in equity instruments at FCTOVI	-	(1,63,21,288)			
Net cumulative (gain)/loss reclassified from other comprehensive income on sale of financial assets carrying at fair value	90,63,674	(90,63,674)			
Amount transferred from Retained earnings to General Reserve	-			-	
Dividend Paid (including tax)	(18,47,028)				
Balance at the end of reporting period i.e. March 31, 2020	**31,61,43,561**	**2,44,18,356**	**-**	**7,56,76,021**	**41,62,37,938**
Profit for the year	65,34,519			-	
Net fair value loss on investments in equity instruments at FCTOVI		12,86,67,860			
Net cumulative (gain)/loss reclassified from other comprehensive income on sale of financial assets carrying at fair value		-			
Amount transferred from Retained earnings to General Reserve				-	
Dividend Paid (including tax)	(15,32,100)			-	
Balance at the end of reporting period i.e. March 31, 2021	**32,11,45,980**	**15,30,86,216**	**-**	**7,56,76,021**	**54,99,08,217**

As per our attached report of even date
For D N Kanabar & Co.
Chartered Accountants
(FRN 104698W)

Deepak Kanabar
Proprietor
Membership No.041157

Mumbai, June 29, 2021

For and on behalf of the Board
Netesoft India Limited

Sarayu Somaiya
Whole Time Director
DIN: 00153136

Hemang Joshi
Whole Time Director
DIN: 03431116

NETESOFT INDIA LIMITED

CIN: U72200MH2000PLC123711

Cash Flow Statement for the year ended March 31, 2021

		31-Mar-21 ₹	31-Mar-20 ₹
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
1	**Profit / (Loss) Before Tax**	**89,53,834**	**2,64,21,949**
	Adjustments for		
	Depreciation / Amrotisation	53,51,842	59,71,700
	Interest Income	(73,82,121)	(1,32,04,691)
	Dividend Income	(22,30,000)	(13,32,758)
	Rent Income	(86,52,025)	(1,07,15,066)
	Finance Cost	1,88,701	4,01,495
	(Profit) / Loss on sale of Investment	-	1,46,60,056
	(Profit) / Loss on sale of Fixed Assets	-	-
2	**Operating Profit before Working Capital Changes**	**(37,69,769)**	**2,22,02,686**
	Movement in working capital:		
	Change in Inventories	(1,55,60,923)	8,40,96,469
	Change in Trade receivable	(5,22,349)	-
	Change in Other financial assets	14,607	18,31,283
	Change in Other assets	(1,43,723)	(80,640)
	Change in Other financial liabilities	1,18,617	(2,60,000)
	Change in Other Current Liabilities	1,55,603	32,851
3	**Net Cash from Operating Activities**	**(1,97,07,936)**	**10,78,22,648**
	Less: Direct tax paid	(20,61,484)	(72,84,123)
	Net Cash from Operating Activities (A)	**(2,17,69,420)**	**10,05,38,524**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Fixed Assets	(2,29,873)	(2,06,850)
	Purchase of Investment in shares / securities	(8,87,79,067)	(13,18,08,514)
	Sale of Investment in shares / securities	-	12,49,05,266
	Purchase of Investment in Properties	-	(6,89,320)
	Interest Income	73,82,121	1,32,04,691
	Dividend Income	22,30,000	13,32,758
	Rent Income	86,52,025	1,07,15,066
	Net Cash used in Investing Activities (B)	**(7,07,44,794)**	**1,74,53,096**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interim Dividend paid (including Dividend Tax)	(15,32,100)	(18,47,028)
	Repayment of Lease Liabilities	(24,09,917)	(21,18,505)
	Interest on Lease Liabilities	(1,88,701)	(4,01,495)
	Net cash from/used in Financing Activities (C)	**(41,30,718)**	**(43,67,028)**
	Net Increase/ (Decrease) in Cash & Cash Equivalents during the year (A+B+C)	**(9,66,44,932)**	**11,36,24,592**
	Cash & Cash Equivalent at the beginning of the year.	**17,17,17,193**	**5,80,92,600**
	Cash & Cash Equivalent at the end of the year	**7,50,72,261**	**17,17,17,193**

Particulars	31-Mar-20 ₹	31-Mar-19 ₹
Cash, cheques, drafts (in hand)	33,948	45,942
Balances with Schedule Banks	1,88,94,352	75,25,909
Fixed deposits (Including Interest Accrued but not due)	5,61,43,961	16,41,45,342
Total	**7,50,72,261**	**17,17,17,193**

As per our attached report of even date

For D N Kanabar & Co.
Chartered Accountants
(FRN 104698W)

Kanabar

Deepak Kanabar
Proprietor
Membership No. 041157
Mumbai, June 29, 2021

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

For and on behalf of the Board

Sarayu Somaiya

Sarayu Somaiya
Whole Time Director
DIN: 00153136

Hemang Joshi
Whole Time Director
DIN: 03431116

NETESOFT INDIA LIMITED
CIN: U72200MH2000PLC123711
BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

1. COMPANY OVERVIEW

The Company is a public limited company, domiciled in India and registered with the ROC – Mumbai (Maharashtra) vide Corporate Identification number (CIN) U72200MH2000PLC123711.

Registered office of the Company is situated at 401, Building-2, Sector-1, Millenium Business Park, Mahape, Navi Mumbai - 400710.

The Company is into the business of software development, trading and investment in securities.

1.1. BASIS OF PREPARATION AND PRESENTATION

This note provides a list of the significant accounting policies adopted in the presentation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. BASIS OF PREPARATION AND PRESENTATION

The financial statements of the Company have been prepared in accordance with and to comply in all material aspects with the Indian Accounting Standards (Ind AS) as prescribed under Companies Act 2013 ("the Act"), Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Act and rules made thereunder.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year.

B. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements is in conformity with Ind AS which requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

The estimates and underlying assumptions are reviewed on Going Concern basis.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, in the period of the revision and future periods if the revision affects both current and future

Estimation of uncertainties relating to the global health pandemic from COVID-19
The outbreak of Coronavirus (COVID-19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The company have evaluated impact of this pandemic on its business operations. Based on its review and current indicators of the economic conditions, there is no significant impact on its financial results and carrying value of assets. The Company will closely monitor any material changes arising of future economic conditions and inpact on its business.

D. N. KANABAR & CO. CHARTERED ACCOUNTANTS MUMBAI

NETESOFT INDIA LIMITED NAVI MUMBAI

C. FAIR VALUE MEASUREMENT

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

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For other fair value related disclosures refer note no 25

D. CLASSIFICATION OF EXPENDITURE / INCOME

Except otherwise indicated:

i) All expenditure and income are accounted for under the natural heads of account.
ii) All expenditure and income are accounted for on accrual basis.

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

2. SIGNIFICANT ACCOUNTING POLICIES

A. REVENUES

Revenues from sale of securities
Revenue from the sale of securities in the course of ordinary activities is measured at the value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards normally happen upon issue of contract by the intermediary.

Capital Gains
Income/(Loss) from the sale of securities held as Investments is measured at the value of the consideration received or receivable and reported as Profit/(Loss) on sale of Investments in Securities.

Interest Income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective rate applicable, which is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset to that asset's net carrying amount on the initial recognition.

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

LEASES
The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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

B. PROPERTY, PLANT AND EQUIPMENT (PPE)

Recognition and measurement:
Property, plant and equipment are initially recognized at cost after deducting refundable purchase taxes and including the cost directly attributable to bring the asset to the location and conditions

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necessary for it to be capable of operating in the manner intended by the management, borrowing cost in accordance with the established accounting policy, cost of restoring and dismantling, if any, initially estimated by the management. After the initial recognition the property, plant and equipment are carried at cost less accumulated depreciation and impairment losses.

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

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1st April 2016 after making adjustment for decapitalization of borrowing cost, if any, and reversal of depreciation to that extent, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Depreciation on all property, plant & equipment are provided for, from the date of put to use for commercial production on written down value method at the useful lives prescribed in Schedule-II to the Companies Act, 2013.

Assets Category Estimated	**Useful life(in years)**
Office Building / Premises	60
Office equipment	5
Electrical Installation	10
Computer	3
Networking Equipments	6
Furniture & fixtures	10
UPS / Batteries	6
Vehicles	8
Leasehold Improvements	10
Software	10

The estimated useful lives, residual values and depreciation method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

The carrying amount of the all property, plant and equipment are derecognized on its disposal or when no future economic benefits are expected from its use or disposal and the gain or loss on de-recognition is recognized in the statement of profit & loss.

C. INTANGIBLE ASSETS

Acquired Intangible assets are initially recognized at cost after deducting refundable purchase taxes and including the transaction cost, if any. After initial recognition, intangibles are carried at cost less accumulated amortization and impairment losses.

Intangibles assets are amortized over their respective individual estimated useful lives on a written down value method, from the date they are available for use.

Intangible asset is derecognized on disposal or when no future economic benefits are expected from continuing use or disposal.

The estimated useful lives, residual values and amortization method are reviewed at each financial year end and the effect of any change is accounted for on prospective basis.

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D. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in tne ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realisable value is made on the basis of category of inventories

E. FINANCIAL INSTRUMENTS

Initial Recognition:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Recognition:

Non-derivative financial instruments

(i) Financial assets carried at amortized cost: A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income: A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss: A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

(iv) Financial liabilities: Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate to its fair value due to the short maturity of these instruments.

(v) Investment in Subsidiaries/Joint ventures / Associates: Investment in subsidiaries / Joint Ventures / Associates are carried at cost in the separate financial statements. Any gain or losses on disposal of these investments are recognized in the statement of profit & loss.

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De-recognition of Financial Assets:

A financial asset is primarily derecognized when:
• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

F. FINANCIAL LIABILITIES

Financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction cost.

Subsequent to initial measurement, financial liabilities are measured at amortized cost. The difference in the initial carrying amount of the financial liabilities and their redemption value is recognized in the statement of profit & loss over the contractual term using the effective interest rate method. This category includes the following class of liabilities; trade and other payables, borrowing; and other financial liabilities.

Financial liabilities are further classified as current and non-current depending whether they are payable within 12 months from the balance sheet date or beyond.

Financial liabilities are derecognized when the company is discharged from its obligation; they expire, are cancelled or replaced by a new liability with substantial modified terms.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

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substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

G. TRADE RECEIVABLES

Trade receivables represents amount billed to customers as credit sales and are net off; a) any amount billed but for which revenues are reversed under the relevant Indian accounting standard and b) impairment for trade receivables, which is estimated for amounts not expected to be collected in full.

H. LOANS AND ADVANCES

Loans and advances are non-derivative financial assets with fixed and determinable payments. This category includes the loans, cash and bank balances, other financial assets and other current assets.

Subsequent to initial measurement, loans and receivables are carried at amortized cost based on effective interest rate method less appropriate allowance for doubtful receivables. Loans and advances are further classified as current and non-current depending whether they will realize within 12 months from the balance sheet date or beyond.

I. EARNING PER SHARE

Basic Earnings Per Share is computed by dividing the net profit attributable to the equity shareholders of the company to the weighted average number of Shares outstanding during the period & Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the company after adjusting the effect of all dilutive potential equity shares that were outstanding during the period to the weighted average number of shares outstanding during the period including the weighted average number of equity shares that could have issued upon conversion of all dilutive potential

J. TAXATION

Current Tax

Current tax is tax expected, tax payable on the taxable income for the year, using the tax rate enacted at the reporting date, and any adjustment to the tax payable in respect of the earlier periods.

Current tax assets and liabilities are offset where the company has legal enforceable right to offset and intends either to settle on net basis, or to realize the assets and settle the liability simultaneously.

Deferred Tax Assets and Liabilities

Deferred tax is recognized for all taxable temporary differences and is calculated based on the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset and when the deferred tax balances relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but the Group intends to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Current and Deferred Tax for the Year

Current and deferred tax are recognized in the statement of profit & loss, except when they relates to items that are recognized in other comprehensive income or directly in equity, in which case, the current tax and deferred tax is recognized directly in other comprehensive income or equity respectively.

K. EMPLOYEE BENEFITS

The company provides for the various benefits plans to the employees. These are categorized into Defined Benefits Plans and Defined Contributions Plans. Defined contribution plans includes the amount paid by the company towards the liability for Provident fund to the Employees Provident Fund Organization and Employee State Insurance fund in respect of ESI and defined benefits plans includes the retirement benefits, such as gratuity and paid absences (leave benefits) both accumulated and non-accumulated.

a. In respect Defined Contribution Plans, contribution made to the specified fund based on the services rendered by the employees are charged to Statement of Profit & Loss in the year in which services are rendered by the employee.

b. Liability in respect of Defined Long Term benefit plan is determined at the present value of the amounts payable determined using actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit methods. Re-measurement, comprising actuarial gain and losses, the effects of assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of Financial Position with a charge or credit recognized in other comprehensive income in the period in which they occur. Past Service cost is recognized in the statement of profit & loss in the period of plan amendment.

c. Liabilities for accumulating paid absences is determined at the present value of the amounts payable determined using the actuarial valuation techniques performed by an independent actuarial at each balance sheet date using the projected unit credit method. Actuarial gain or losses in respect of accumulating paid absences are charged to statement of profit & loss account.

d. Liabilities for short term employee benefits are measured at undiscounted amount of the benefits expected to be paid and charged to Statement of Profit & Loss in the year in which the related service is rendered.

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L. IMPAIRMENT

Financial assets

The company recognizes the impairment on financial assets based on the expected credit loss model for the financial assets which are not fair value through profit and loss account. Loss allowance on trade receivables, with no significant financing component is measured at an amount equal to lifetime expected credit loss. For all financial assets expected credit losses are measured at an amount equal to 12-month ECL unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime expected credit loss. The amount of expected credit losses or reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in the profit and loss for the period.

Intangible assets, investment property and property, plant and equipment

Intangible assets, investment property and property plant & equipment are evaluated for recoverability wherever events or changes in circumstances indicate that their carrying amount may not be recoverable.

For impairment testing, assets that do not generate independent cash flows are grouped together into cash generating units (CGUs).

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such asset is considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit & loss if there have been changes in the estimates used to determine the recoverable amount. The carrying amount is increased to its revised recoverable amount, provided that this amount does not exceeds the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss has been recognized for the asset in prior years.

M. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized, if as a result of past event the company has present legal or constructive obligations that is reasonably estimable 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 at a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to liability.

Contingent liabilities are disclosed for possible obligations arising out of uncertain events not wholly in control of the company.

Contingent assets are not recognized in the financial statements. However due disclosures are made in the financial statements for the contingent assets, where economic benefits is probable and amount can be estimated reliably.

N. FOREIGN CURRENCY TRANSACTIONS

Functional Currency

The Companies functional currency is Indian Rupees. The financial statement of the company is presented in Indian rupees.

Transaction and translations

Transactions in currency other than Indian Rupees are recorded at the rate, as declared by the custom and excise department / inter-bank rates, ruling on the date of transaction.

Unsettled Foreign currency denominated monetary assets and liabilities, as at the balance sheet date, are translated using the exchange rates as at the balance sheet date. The gain or loss resulting from the translation is recognized in the profit & loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured carried at fair value are translated at the date when the fair value is determined.

Transaction gain or losses realized upon settlement of foreign currency transaction are included in determining the net profit for the period in which transaction is settled.

Exchanges difference arises on settlement / translation of foreign currency monetary items relating to acquisition of property, plant & equipment till the period they are put to use for commercial production, are capitalized to the cost of assets acquired and provided for over the useful life of the property, plant & equipment.

O. NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.
Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

P. BORROWING COST

Borrowings cost are interest and other costs incurred in connection with the borrowing of funds. Borrowing cost directly attributable to the acquisition or construction of qualifying / eligible assets,

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intended for commercial production are capitalized as part of the cost of such assets. All other borrowing costs are recognized as an expense in the year in which they are incurred

Q. CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with maturity of twelve months or less, which are subject to an insignificant risk of changes in value.

RECENT PRONOUNCEMENTS:

The Ministry of Corporate Affairs ("MCA") through a notification of March 24, 2021, amended Schedule III to the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period. Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a Group has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then to disclose details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

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3. Property, Plant & Equipment

(Amount in ₹)

Nature of Fixed Assets	Property, Plant & Equipment										Intangible Assets		
	Building - Office Premises	Leasehold Improve ments	Furniture & Fixtures	Motor Car	Office Equipment	Computers & Laptops	Networking Equipments	UPS/ Batteries	Electrical Installations	Total (A)	Computer Software	Total (B)	Grand Total (A)+(B)
(A) Cost													
As at 01st April, 2019	6,11,01,939	13,47,402	27,55,938	91,80,549	36,30,073	13,89,683	55,331	1,22,400	28,84,253	8,24,67,567	59,180	59,180	8,25,26,747
Additions during the year	75,85,153	-	-	-	-	2,06,850	-	-	-	77,92,003	-	-	77,92,003
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	6,86,87,091	13,47,402	27,55,938	91,80,549	36,30,073	15,96,533	55,331	1,22,400	28,84,253	9,02,59,569	59,180	59,180	9,03,18,749
Additions during the year	-	-	-	-	1,31,033	98,840	-	-	-	2,29,873	-	-	2,29,873
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2021	6,86,87,091	13,47,402	27,55,938	91,80,549	37,61,105	16,95,373	55,331	1,22,400	28,84,253	9,04,89,442	59,180	59,180	9,05,48,622
(B) Accumulated Depreciation													
As at 01st April, 2019	1,74,03,688	7,36,413	25,64,979	74,97,046	31,64,977	9,07,687	52,382	1,16,280	26,57,125	3,51,00,577	30,729	30,729	3,51,31,306
Provided for the year	46,67,974	1,58,434	27,159	5,08,727	1,65,452	3,88,870	183	-	47,514	59,64,313	7,387	7,387	59,71,700
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2020	2,20,71,662	8,94,847	25,92,138	80,05,773	33,30,429	12,96,557	52,565	1,16,280	27,04,639	4,10,64,890	38,116	38,116	4,11,03,006
Provided for the year	45,46,490	1,17,395	14,173	3,49,515	94,657	1,98,644	0	-	25,220	53,46,094	5,748	5,748	53,51,842
Deductions during the year	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March, 2021	2,66,18,152	10,12,242	26,06,311	83,55,288	34,25,086	14,95,201	52,565	1,16,280	27,29,859	4,64,10,984	43,864	43,864	4,64,54,848
(C) Net Block													
As at 31st March, 2020	4,66,15,429	4,52,555	1,63,800	11,74,776	2,99,643	2,99,975	2,766	6,120	1,79,614	4,91,94,679	21,064	21,064	4,92,15,743
As at 31st March, 2021	4,20,68,939	3,35,160	1,49,627	8,25,261	3,36,019	2,00,171	2,766	6,120	1,54,394	4,40,78,458	15,316	15,316	4,40,93,774

Net carrying amount of Property, Plant & Equipment under Finance Lease arrangements is as follows

Particulars	Gross Block	Depreciation	Net Carrying Value
Building / Office Premises	75,85,153	(47,27,110)	28,58,042

(Refer note 3.1)

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3.1 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases buildings / office premises. The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis / as per contract over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised. The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight-line basis over the term of the relevant lease.

Transition

Ind AS 116 was notified by Ministry of Corporate Affairs on 30 March 2019 and it is applicable for annual reporting periods beginning on or after 1 April 2019.

The impact of Ind AS 116 on the Company's financial statements at 31 March 2021 is as follows:

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NETESOFT INDIA LIMITED

CIN: U72200MH2000PLC123711

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

Balance sheet:

Particulars	Gross Block	Accumulated Depreciation	Carrying Amount
On Property Plant & Equipment			
Balance as at 01.04.2019	-	-	-
On Transition to Ind AS 116	75,85,153	-	75,85,153
Additions	-	23,63,555	23,63,555
Disposals	-	-	-
Balance as at 31.03.2020	75,85,153	23,63,555	52,21,598
Additions	-	23,63,555	23,63,555
Disposals	-	-	-
Balance as at 31.03.2021	75,85,153	47,27,110	28,58,042
Deferred Tax Assets / (Liabilities)			
Recognition of Deferred Tax Assets			8,973
Financial Liabilities			
Balance as at 01.04.2020			42,06,648
Repayment			(23,31,299)
Balance as at 31.03.2021			18,75,349
Net Effect – Decrease in Equity (as at 31.03.2021)			(23,282)

Profit & Loss A/c:

Particulars	Amount (Rs.)
Depreciation	23,63,555
Interest on Lease Liabilities	1,88,701
Employee Benefit Expenses (Rent Paid for Director)	(22,20,000)
Rent	(3,00,000)
Deferred Tax Effect	(8,973)
Net Effect (decrease in profit carried to reserves & surplus)	(23,282)

The Company's activities as a lessor are not material and hence, it does not expect any significant impact on the financial statements.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 10%.

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(Amount in ₹)

4 INVESTMENT PROPERTIES	31-Mar-21 ₹	31-Mar-20 ₹
Mesured at cost (less impairment, if any)		
a) Investment property		
Flats	4,89,19,451	4,89,19,451
	4,89,19,451	4,89,19,451

i The Company recognise its investment property at fair market value. The difference between the cost and fair market value is recognised as other comprehensive income.

ii Amounts recognised in profit and loss for invested properties		
Rental income	2,66,400	2,66,400
Direct operating expenses from property that generated rental income	81,496	64,442
Direct operating expenses from property that did not generate rental	2,13,728	1,51,263
Profit from investment properties before depreciation	(28,824)	50,695
Depreciation	-	-
Profit from investment properties	(28,824)	50,695

iii Leasing agreements
Investment properties are leased to tenants under operating leases with rentals payable monthly for the period of less than 12 months. Therefore, details of Minimum lease payments receivable under non-cancellable operating leases of investment are NIL.

5 NON CURRENT FINANCIAL ASSETS	Qty	31-Mar-21 ₹	Qty	31-Mar-20 ₹
5.1 Investment				
Mesured at fair value (less impairment, if any)				
a In Equity Shares (Unquoted)				
In Associates:				
Toral Farms Pvt. Ltd.	5,00,000	50,00,000	5,00,000	50,00,000
		50,00,000		50,00,000
b Quoted Investment				
Investments in equity shares				
HDFC Ltd. Shares	45,000	11,24,52,750	45,000	7,33,70,250
HDFC Bank Ltd. Shares	30,000	4,48,06,500	30,000	2,58,60,000
Aditya Birla Capital Limited	5,50,000	6,56,70,000	4,00,000	1,68,80,000
India Grid Trust	1,22,472	1,71,75,473	1,22,472	1,09,25,727
Digicontent Ltd	25,415	1,82,480	25,415	1,01,660
TV18 Broadcast	6,00,000	1,72,50,000	6,00,000	93,00,000
Parag Milk Foods	1,50,000	1,58,32,500	1,50,000	95,92,500
IDFC First Bank	2,50,000	1,39,25,000	2,50,000	52,75,000
Entertainment Network	30,000	43,71,000	-	-
Indian Hotel	60,000	66,54,000	-	-
Kesoram Industries	50,000	35,05,000	-	-
ITC Ltd	1,50,000	3,27,75,000	-	-
Bajaj Finserv	4,000	3,86,71,200	-	-
Bharti Airtel	25,000	1,29,32,500	-	-
		38,62,03,403		15,13,05,137
Total (I) + (II)		39,12,03,403		15,63,05,137
Aggregate cost of unquoted investments		50,00,000		50,00,000
Aggregate market value of quoted investments		38,62,03,403		15,13,05,137

D. N. KANABAR & CO. CHARTERED ACCOUNTANTS MUMBAI

NETESOFT INDIA LIMITED NAVI MUMBAI

5 NON CURRENT FINANCIAL ASSETS	31-Mar-21 ₹	31-Mar-20 ₹
5.2 Other financial asset		
Security Deposits	2,79,160	2,79,160
Fixed deposit with banks for a period more than 12 months	11,26,987	11,26,987
Interest	2,92,340	2,16,429
	16,98,487	16,22,575

(Amount in ₹)

6 DEFFERED TAX ASSETS / LIABILITIES	31-Mar-21 ₹	31-Mar-20 ₹
Deffered Tax Assets		
Charged / (credited) to statement of income		
On account of timinig difference in Depreciation	8,26,356.92	9,04,645
On account of timinig difference in Expenses	77,146	68,173
Charged / (credited) to OCI		
Fair valuation of financial asset	(1,74,03,936)	47,404
Total	(1,65,00,432)	10,20,221

7 OTHER NON-CURRENT ASSETS	31-Mar-21 ₹	31-Mar-20 ₹
(Unsecured, considered good)		
Receivable from Revenue Authorities	53,32,287	56,20,803
Advance against Property	-	-
Total	53,32,287	56,20,803

8 INVENTORIES	31-Mar-21 ₹	31-Mar-20 ₹
Shares & Securities (As Valued and certified by Directors)	2,09,66,423	54,05,500
Total	2,09,66,423	54,05,500

9 CURRENT FINANCIAL ASSETS	31-Mar-21 ₹	31-Mar-20 ₹
9.1 Cash & cash equivalents		
Balances with banks		
i) In current A/cs	1,88,94,352	75,25,909
ii) In deposit A/cs		
Fixed Deposits*	5,34,51,311	15,50,00,000
Interest accured on Fixed Deposit*	26,92,650	91,45,342
Cash on hand	33,948	45,942
Total	7,50,72,261	17,17,17,193

*(The above Fixed Deposits are due for maturiry within 12 months from the balance sheet date.)

	31-Mar-21 ₹	31-Mar-20 ₹
9.2 Trade Receivable		
(Unsecured considered good)		
Considered good	5,22,349	-
Considered doubtful	-	-
Total	5,22,349	-
9.3 Other financial asset		
(Unsecured considered good)		
Interest receivable	-	58,676
Other loans and advances	33,448	65,290
Total	33,448	1,23,966

10 OTHER CURRENT ASSETS	31-Mar-21 ₹	31-Mar-20 ₹
(Unsecured considered good)		
Advances receivable in cash or kind or for value to be received	13,51,968	12,08,244
Total	13,51,968	12,08,244

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

(Amount in ₹)

11 SHARE CAPITAL	31-Mar-21 ₹	31-Mar-20 ₹
Equity Share Capital		
Authorised :	5,00,00,000	5,00,00,000
50,00,000 Equity Shares of ₹ 10/- each	5,00,00,000	5,00,00,000
(Previous year 50,00,000 Equity Shares of ₹ 10/- each)		
Issued, Subscribed and Paid-up :		
15,32,100 Equity shares of ₹ 10/- each fully paid up	1,53,21,000	1,53,21,000
(Previous year 15,32,100 Equity shares of ₹ 10/- each fully paid up)	1,53,21,000	1,53,21,000

11.1 Reconcilation of the shares oustanding at the beginning and at the end of the reporting period

Particulars	31-Mar-21		31-Mar-20	
	In Nos.	₹	In Nos.	₹
At the beginning of the Period	15,32,100	1,53,21,000	15,32,100	1,53,21,000
Issued During the Period	-	-	-	-
Outstanding at the end of the period	15,32,100	1,53,21,000	15,32,100	1,53,21,000

11.2 Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	31-Mar-21		31-Mar-20	
	No. of Shares	% of Holding	No. of Shares held	% of Holding
1) United Interactive Ltd.	7,81,400	51.00%	7,81,400	51.00%
2) India Technology Investments Pvt. Ltd.	6,50,000	42.43%	6,50,000	42.43%
3) Sarayu Somaiya	1,00,200	6.54%	1,00,200	6.54%

11.3 Terms / rights attached to equity shares

The company has only one class of issued equity share capital having a par value of Rs.10 each. Each holder of equity shares is enttitled to one vote per share and right to receive dividend, if any, declared on the equity shares. In the event of liquidation of the Company all prefrential amounts if any shall be dis-charged by the Company. The remaining assets of the Company shall be distributed to the holders of Equity Shares in proportion of the number of shares held to the total equity shares outstanding as on that date.

12 OTHER EQUITY	31-Mar-21 ₹	31-Mar-20 ₹
(A) General Reserve		
Balances as at the beginning of the year	7,56,76,021	7,56,76,021
Add: Transfer from surplus in Statement of Profit and Loss	-	-
Closing balance	7,56,76,021	7,56,76,021
(B) Retained earnings		
Balances as at the beginning of the year	31,61,43,561	29,32,39,219
Add: Profit after tax for the year	65,34,519	1,56,87,696
Add: Net cumulative (gain)/loss reclassified from other comprehensive income on sale of financial assets carrying at fair value	-	90,63,674
Less: Interim Dividend including dividend distribution tax	(15,32,100)	(18,47,028)
Closing balance	32,11,45,980	31,61,43,561
(C) Reserve for Equity/Debt Instruments through Other Comprehensive Income		
Balances as at the beginning of the year	2,44,18,356	4,98,03,318
Add/(Less): Net fair value gain on investments in equity instruments at FCTOVI	12,86,67,860	(1,63,21,288)
Add/(Less): Net cumulative (gain)/loss reclassified to retained earnings on sale of financial assets carrying at fair value	-	(90,63,674)
Closing balance	15,30,86,216	2,44,18,356
Total (A) + (B) + (C)	54,99,08,217	41,62,37,938

13 OTHER NON CURRENT FINANCIAL LIABILITIES	31-Mar-21 ₹	31-Mar-20 ₹
Security Deposit	46,26,400	45,86,400
Lease Liabilities	17,65,265	16,86,648
Total	63,91,665	62,73,048

14 OTHER CURRENT LIABILITIES	31-Mar-21 ₹	31-Mar-20 ₹
For Expenses	8,89,226	8,05,098
For Others	73,226	1,750
For Lease	1,10,083	25,20,000
Total	10,72,535	33,26,848

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

NETESOFT INDIA LIMITED

Notes Forming Part of Financial Statements for the year ended March 31, 2021

(Amount in ₹)

15	REVENUE FROM OPERATIONS	2020-21 ₹	2019-20 ₹
	Sale of Services	-	-
	Sale of Securities	1,45,73,425	23,12,60,238
	Total	**1,45,73,425**	**23,12,60,238**

16	OTHER INCOME	2020-21 ₹	2019-20 ₹
	Interest Income		
	On deposits with banks	58,99,177	1,12,32,745
	On long-term investments	14,81,911	19,13,271
	On income tax refunds	-	-
	On others	1,032	58,676
		73,82,121	**1,32,04,691**
	Others		
	Profit/(Loss) on sale of Investments in Securities	-	(1,46,60,056)
	Profit/(Loss) on sale of Investments in Properties	-	-
	Dividend	22,30,000	13,32,758
	Rent	86,52,025	1,07,15,066
		1,08,82,025	**(26,12,232)**
	Total	**1,82,64,146**	**1,05,92,459**

17	EMPLOYEE BENEFITS EXPENSES	2020-21 ₹	2019-20 ₹
	Salaries and wages	40,35,480	40,89,933
	Remuneration to directors	31,26,800	30,89,800
	Contribution to employees welfare fund	1,81,544	1,81,277
	Gratuity expenses	19,708	14,775
	Staff welfare expenses	12,391	1,30,185
	Total	**73,75,923**	**75,05,969**

18	OTHER EXPENSES	2020-21 ₹	2019-20 ₹
	Power and fuel	1,28,573	2,26,456
	Repairs to buildings	9,82,708	13,74,976
	Repairs to machinery	1,09,164	86,696
	Communication expenses	1,39,381	1,63,790
	Expenses - flats	2,95,223	2,15,705
	Professional fees	4,13,650	1,13,800
	Vehicle maintenance expenses	2,26,844	4,08,503
	Subletting Fees	1,96,908	2,85,299
	Other expenses	20,59,320	41,92,042
	Auditor's Remuneration	11,40,500	8,98,750
	Total	**56,92,271**	**79,66,017**

19	FINANCE COST	2020-21 ₹	2019-20 ₹
	Interest on Lease Liabilities	1,88,701	4,01,495
	Total	**1,88,701**	**4,01,495**

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

NETESOFT INDIA LIMITED

Notes Forming Part of Financial Statements for the year ended March 31, 2021

20 Tax Expenses

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Current Tax	23,50,000	1,18,43,192
Mat Credit Entitlement	-	-
Taxes of Earlier Years	-	(10,35,756)
Deferred Tax	(69,314)	(73,183)
Total Income Tax Expense	**22,80,686**	**1,07,34,253**
Reconciliation of Effective tax rate on profit before tax:		
Enacted Income tax rate	27.82%	27.82%
Profit before tax	89,53,834	2,64,21,949
Add: Net cumulative (gain)/loss reclassified from other comprehensive income on sale of financial assets carrying at fair value	-	90,63,674
Total Profit before tax	89,53,834	3,54,85,623
Current tax as per enacted tax rate	**24,90,957**	**98,72,100**
Tax effect of:		
Expenses Disallowed	20,85,521	25,99,490
Expenses Allowed	(18,00,247)	(19,50,060)
Exempt Income	-	(3,70,773)
Income Taxable at Reduced Rate	-	2,15,634
Set off of Losses	(4,26,230)	(80,113)
Others	-	15,56,915
Current Tax Provision	**23,50,000**	**1,18,43,192**
Effective Tax Rate	26.25%	33.37%
Increase / (Decrease) in Deferred Tax Liability	-	-
(Increase) / Decrease in Deferred Tax Liability Asset	(69,314)	(73,183)
Deferred Tax Provision	**(69,314)**	**(73,183)**

The current tax rate for the reconciliation has been considered as per the prevailing tax rate and deferred tax is recognised considering the tax rate applicable to the Company in subsequent years.

21 Earning Per Share (EPS)

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Profit for the year	65,34,519	1,56,87,696
Weighted average number of equity shares Rs.10/- each	15,32,100	15,32,100
EPS (in Rs.) - Basic & Diluted	**4.27**	**10.24**

"Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares."

22 Payment To Auditors

(Amount in ₹)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Audit Fees	5,33,000	7,66,000
Compliance and Certification	6,07,500	1,32,750
	11,40,500	**8,98,750**

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED MUMBAI

NETESOFT INDIA LIMITED

CIN: U72200MH2000PLC123711

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

23. Employee Benefits

i) Contribution to the Employees Provident Funds is made at a predetermined Rate.

ii) On account of Defined Contribution Plan, the Company has charged the following amounts in the Profit and Loss Account:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Provident Fund	1,81,544	1,81,277
Gratuity*	19,708	14,775
Total	**2,01,252**	**1,96,052**

* The company is not in possession of the information required to be disclosed as per Ind AS-19.

24. Related Party Transaction

Nature of Relationship	Name of the Related Party
Parties, which significantly influence the Company	Smt. Sarayu Somaiya
Parties, which are significantly influenced by the Company	N. A.
Entities controlled by Directors or their relatives	1. United Interactive Limited 2. Ganesh Keshav Securities Pvt. Ltd. 3. Span Capital Services Pvt. Ltd. 4. India Technology Investments Pvt. Ltd. 5. Soft Circuit.Com (India) Pvt. Ltd. 6. India Internet Investments Pvt. Ltd. 7. Toral Farms Pvt. Ltd.
Key Managerial Person	1. Smt. Sarayu Somaiya – Director 2. Shri Rasiklal Somaiya – Director 3. Shri Hemang Joshi – Director

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
1. Smt. Sarayu Somaiya – Director Remuneration	13,78,400	13,78,400
Depreciation on Leased Assets	21,16,311	21,16,311
Finance Cost on Lease Liabilities	1,10,083	3,01,893
Perquisite – Movable Assets	-	33,000
(* refer note below)		
2. Shri Hemang Joshi – Director Remuneration	17,48,400	16,78,400
3. Ganesh Keshav Securities Pvt. Ltd.		
Recognition of Lease Liabilities	-	12,36,219
At the beginning of the year	8,85,822	-
Repayment of Lease Liabilities	2,21,382	3,50,398
Finance Cost on Lease Liabilities	78,618	99,602

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NETESOFT INDIA LIMITED NAVI MUMBAI

NETESOFT INDIA LIMITED

CIN: U72200MH2000PLC123711

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

Name of Related Party	**Outstanding amount carried in Balance Sheet**	
	As at 31st March, 2021	**As at 31st March, 2020**
Ganesh Keshav Securities Pvt. Ltd.		
Liabilities:		
Lease Liabilities	6,64,439	8,85,822

* Key Managerial Personnel who are under the employment of the Company are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19- Employee Benefits in the financial statements. Further, Gratuity is payable by the company to the Netesoft India Limited Employees' Group Gratuity Assurance Scheme which is being administered by the Life Insurance Corporation of India ('The Corporation') are lumpsum amounts on the basis of the valuation done by the Corporation, the same is not included above.

* Change in treatment of Rent on Leased Assets during the year as compared to previous year due to applicability of Ind AS 116 'Leases' is as under:

i) The Company have taken a residential premise on leave and license basis and the same is being used by one of the Director of the Company for residential use.

ii) Due to applicability of the Ind AS 116 'Leases' from 01.04.2019, the said leased assets is required to be recognized as Right to Use Asset (part of Property, Plant & Equipment) and lease liabilities. Depreciation is charged on the said Right to Use Lease Asset and interest expense is charged on the lease liabilities. (refer note 3.1 for the detailed note on impact of Ind AS -116 on the Financials)

iii) That since the said leased assets is being used by one of the directors for residential purpose, the said depreciation and interest on lease liabilities is considered as related party transaction.

iv) In case Ind AS-116 would not have been applied, there would be perquisite of Rs.22,20,000 (rent of leased premises) instead of depreciation on leased assets of ₹ 21,16,311 and interest on lease liabilities of ₹ 1,10,083.

*** Change in treatment of Rent on Leased Assets during the year as compared to previous year due to applicability of Ind AS 116 'Leases' is as under:

i) The Company have taken a office premise on leave and license basis from an Associate Company. Ganesh Keshav Securities Pvt Ltd'.

ii) Due to applicability of the Ind AS 116 'Leases' from 01.04.2019, the said leased assets is required to be recognized as Right to Use Asset (part of Property, Plant & Equipment) and lease liabilities. Depreciation is charged on the said Right to Use Lease Asset and interest expense is charged on the lease liabilities. (refer note 3.1 for the detailed note on impact of Ind AS -116 on the Financials)

iii) That since the licensor is group company, the said recognition of lease liabilities and finance cost thereon are related party transaction.

iv) In case Ind AS-116 would not have been applied, there would be rent expense of Rs.3,00,000 instead of repayment of lease liabilities and finance cost thereon. Also, there would be no outstanding lease liability instead there would be security deposit receivable amounting to Rs.1,50,000.

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

25. Fair value Measurement – Financial Instruments

The following table shows the carrying amounts and fair value of financial assets and financial liabilities.

Particulars	As at	Cost / Amortised Cost	Financial Assets/Liabilities at fair value through Profit or Loss	Financial Assets/Liabilities at fair value through OCI	Total Carrying Value
Assets					
Financial Assets					
i) Investment	31.03.2021	50,00,000	-	38,62,03,403	39,12,03,403
	31.03.2020	50,00,000	-	15,13,05,137	15,63,05,137
ii) Other Financial Assets (non-current)	31.03.2021	16,98,487	-	-	16,98,487
	31.03.2020	16,22,575	-	-	16,22,575
iii) Cash & Cash Equivalent	31.03.2021	7,50,72,261	-	-	7,50,72,261
	31.03.2020	17,17,17,193	-	-	17,17,17,193
iv) Other Financial Assets (Current)	31.03.2021	33,448	-	-	33,448
	31.03.2020	1,23,966	-	-	1,23,966
v) Trade Receivables	31.03.2021	5,22,349	-	-	5,22,349
	31.03.2020	-	-	-	-
Total	31.03.2021	8,23,26,545	-	38,62,03,403	46,85,29,948
	31.03.2020	17,84,63,734	-	15,13,05,137	32,97,68,871
Liabilities					
Financial Liabilities					
i) Other Long-Term Liabilities	31.03.2021	63,91,665	-	-	63,91,665
	31.03.2020	62,73,048	-	-	62,73,048
Total	31.03.2021	63,91,665	-	-	63,91,665
	31.03.2020	62,73,048	-	-	62,73,048

Fair Value hierarchy disclosures:

Level 1 - Financial Instruments measured using quoted prices. This includes listed equity instruments, traded bonds, ETF's and mutual funds that have quoted prices. The fair value of all equity instruments (including bonds) which are traded in stock exchanges is valued using the closing prices as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - Financial Instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

D. N. KANABAR & CO. MUMBAI CHARTERED ACCOUNTANTS

NETESOFT INDIA LIMITED NAVI MUMBAI

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

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). This is the case of un-listed equity securities, contingent consideration and indemnification asset included in level 3.

The carrying amounts of trade receivables, cash and cash equivalent, current other financial assets are considered to be the same as their fair values, due to their short-term nature.

The carrying amounts of non-current financial assets are primarily consist of Term-Deposit with banks considered to be the same as their fair value as it the same is interest bearing and are close to the fair value.

The investment included in Level 1 of fair value hierarchy has been valued using quotes available in the active market. The investment included in Level 2 of fair value hierarchy has been valued using quotes available for the similar assets and liabilities in the active market. The cost of unquoted investments approximates the fair value because there is a wide range of possible fair value measurement and the cost represents estimate fair value within that range.

26. Previous year's figures have been regrouped/reclassified wherever necessary, to confirm with the current years' classification/disclosures.

As per our Report attached

Signature to Notes 1 to 26

For D.N. Kanabar& Co.
Chartered Accountants
(FRN 104698W)

Deepak Kanabar
Proprietor
Membership No. 041157

Mumbai, June 29, 2021

For and on behalf of the Board

Sarayu Somaiya
Whole Time Director
DIN: 00153136

Hemang Joshi
Whole Time Director
DIN: 03431116