



**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF NESLE-INFRASTRUCTURELIMITED (NEIL)**

**Report on the Audit of the Financial Statements (F.Y.: 2020-21)**

We have audited the financial statements of **NESLE-INFRASTRUCTURE LIMITED**, ("the Company"),(a wholly owned subsidiary of National E-Governance Services Limited), which comprise the Balance Sheet as at **31<sup>st</sup> March, 2021**, the Statement of Profit and Loss, Statement of changes in Equity, Cash Flow Statement all for the financial 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 afore said 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, including the Indian Accounting Standards (Ind AS) of the state of affairs of the Company as at **31<sup>st</sup> March, 2021** as also Profit, Changes in Equity, and its Cash Flows for the financial 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 Auditors' 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 there-under 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 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 standalone 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 statement, or our knowledge obtained in the audit or otherwise and 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.



*(Handwritten signature)*

### **Responsibilities of Management for the Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditors' Responsibility for the Audit of the 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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is included in "Annexure-A" of this Auditors' Report. This description forms part of our Auditors' Report.

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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), issued by the Government of India in terms of sub-section(11) of section 143 of the Companies Act, 2013 we give in the "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section143 (3) of the Act, we report that:

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.

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



- (b) The Balance Sheet, the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (c) In our opinion, the aforesaid financial statements comply with the Ind AS (Accounting Standards) specified under Section 133 of the Act.
- (d) 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.
- (e) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-C".
- (f) With respect to directions under section 143(5) of the Act,, on the specific matters required to be reported, refer to our separate report in "Annexure- D"
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 1 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bengaluru,  
Date: July 7, 2021.



For Ramnarain & Co.,  
Chartered Accountants,  
FRN: 003021S.

R. Ravi.  
Partner.  
MRN: 019898.  
UDIN:21019898AAAAFU9837

## Annexure-A to the Auditors' Report

As part of an audit in accordance with SAs, we exercise professional judgment and maintain 'professionalism' kept 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 of 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)(1) of the Companies Act 2013, we are also responsible for expressing our opinion on whether the company has adequate *internal financial controls system* in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of *accounting policies* used and the reasonableness of *accounting estimates* and related disclosures made by management.
- 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 Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation structure and content of the financial statements including the *disclosures*, and whether the financial statements represent the underlying transactions and events in a manner that achieves *fair presentation*.

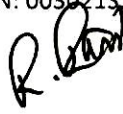
We communicate with those charged with governance regarding among other matters, the *planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control* that we identify during our audit.

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.

Place: Bengaluru  
Date : July 7, 2021.



For Ramnarain & Co.,  
Chartered Accountants,  
FRN: 003021S

  
R. Ravi,  
Partner,  
MRN: 019898.  
UDIN: 21019898AAAAFU9837

## **Annexure -B to the Auditors' Report - (CARO 2016)**

With reference to the Annexure- B referred to in our Independent Auditors' Report to the members of NESL E-INFRASTRUCTURE LIMITED (a subsidiary of National E-Governance Services Limited) on the accounts for the period ended 31st March, 2021 and on the basis of such checks of the Company as was considered appropriate and on verification of the books and records of the company as was considered appropriate and on the basis of the information and explanations given during the course of audit, we report that:

- i. In respect of the Company's fixed assets:
  - a) the company maintains proper records showing full particulars including details of quantity and situation of the fixed assets. All the fixed assets in the books have been purchased during the financial year.
  - b) physical verification of the fixed assets has been conducted by the management during the year. This is the first year of purchase of fixed assets.
  - c) no discrepancies were noticed on physical verification of the fixed assets.
- ii) The Company is providing service. It does not have any physical inventories. Accordingly, reporting under clause 3(ii) of the Order is not applicable.
- iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, reporting under clause 3(iii) of the Order is not applicable.
- iv) The Company has not entered into any transaction of the nature specified in Section 185 & 186 of the Companies Act, 2013. Accordingly, reporting under clause 3(iv) of the Order is not applicable.
- v) The Company has not accepted any deposits from the Public. The Company does not have any unclaimed deposits and accordingly paragraph 3(v) of the order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable.
- vii) In respect of statutory dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, GST and any other statutory dues as applicable to it, to the appropriate authorities.
  - b. According to the records of the company examined by us and according to the information and explanations given to us all statutory dues of Income-tax or GST or Duty of Customs or Duty of Excise, as applicable, have been deposited on time or with marginal delays and there is no dispute pending on the part of the Company.
- viii) According to the records of the company examined by us and according to the information and explanations given to us, the Company has not obtained any loans from any Financial Institutions or Banks. The company has not issued any debentures.



- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments), during the period under review.
- x) According to the information and explanations given to us, no material fraud on or by the Company, its officers or employees have been notice do reported during the course of our audit.
- xi) The Company has not paid / provided any managerial remuneration during the year and hence reporting under paragraph 3 (xi) of the Order is not applicable.
- xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and on the basis of examination of the books of account and records, we report that transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and according to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) According to the information and explanations given to us and on the basis of examination of the books of account and records, we report that the company has not entered into any non-cash transactions with any director of the company or persons connected with him.
- xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Bengaluru  
Date: July 7, 2021.



For Ramnarain & Co.,  
Chartered Accountants,  
FRN: 003021S.

R. Ravi.  
Partner.  
MRN: 019898.  
UDIN: 21019898AAAAFU9837

**Annexure-C to the Auditors' Report of even date on the Financial statements of NESL E-Infrastructure Limited**

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

We have audited the internal financial controls over financial reporting of NESL E-Infrastructure Limited ("The Company") as of March 31st, 2021 in conjunction with our audit of the financial statements of the Company for the period 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. 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 auditors' 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 internal financial controls system over financial reporting of the Company.

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

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



- (1) Pertain to the maintenance of records which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 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
- (2) 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:**

Considering 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. Further, 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.

Place: Bengaluru  
Date : July 7, 2021.



For Ramnarain & Co.,  
Chartered Accountants,  
FRN: 003021S.

A handwritten signature in blue ink that reads "R. Ravi".

R. Ravi.  
Partner.  
MRN: 019898.  
UDIN:21019898AAAAFU9837

**Annexure-D to the Auditors' Report: Directions under section 143(5) of the Companies Act, 2013.**


As a part of engagement, we are required to report on specific matters listed in the directions under 143(5) of the Companies Act, 2013. For financial year 2020-21, we report as under on the specific matters required to be reported, in the response section:

Sl. No	Specific matter requiring comment/report	Response
I.	Whether the Company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company uses tally for its record keeping and accounting function, however the invoices are prepared manually in word format and management is having adequate system in place to process the accounting transaction related to invoicing outside IT system.
II.	Whether there is any restructuring of an existing loan or cases or waiver/write off of debts/loans/interest, etc. made by a lender to the company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	NOT APPLICABLE as the Company has not taken any loan.
III.	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviation.	NOT APPLICABLE as no funds (grants/subsidy etc.) were received or are receivable for specific schemes from Central/State Agencies, by the Company.

Place: Bengaluru.  
Date: July 7, 2021.



For Ramnarain & Co.,  
Chartered Accountants,  
FRN: 003021S.

  
R. Ravi.  
Partner.  
MRN: 019898.  
UDIN: 21019898AAAAFU9837

**NESL E-Infrastructure Limited**  
CIN: U72200MH2017GOI302982  
**Balance Sheet as at March 31, 2021**  
(All amounts are in INR thousands, unless otherwise stated)

Particulars	Note	2021	2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4	45	-
Right of use asset	5	693	365
Other intangible assets	4	14	-
Financial Assets	6		
Other financial assets	6.1	8,600	-
Deferred tax assets (net)	7	1	7
Other non-current Assets	8	21	21
<b>Current Assets</b>			
Financial Assets	9		
Trade receivables	9.1	679	5,311
Cash and cash equivalents	9.2	7,004	1,911
Other bank balances	9.3	5,000	8,600
Other financial assets	9.4	2,447	492
Other Current Assets	10	681	2,273
		<b>25,185</b>	<b>18,980</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	10,000	10,000
Other equity	12	2,610	543
<b>Non current liabilities</b>			
Financial liabilities	13		
Lease liabilities	13.1	385	273
Provisions	14	6	-
<b>Current Liabilities</b>			
Financial liabilities	15		
Lease liabilities	15.1	576	180
Trade payables	15.2		
a) Total outstanding dues of micro and small enterprises		676	-
b) Total outstanding dues of creditors other than micro and small enterprises		4,319	3,281
Other financial liabilities	15.3	905	905
Other current liabilities	16	2,351	2,241
Provisions	17	3,357	1,557
		<b>25,185</b>	<b>18,980</b>

Significant accounting policies

3

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

As per our report of even date attached

For **Ramnarain and co**

Chartered Accountants

Firm registration number: 003021S

R. Ravi

Partner

Membership No. 019898

Date: 07-07-2021

Place: Bengaluru

UDIN: 21019898 AAAA F09837



For and on behalf of the Board of Directors of

**NESL E-Infrastructure Limited**

S. Sadagopan

Director

DIN: 00118285



Diwakar Kannan

Director

DIN: 07925747

Date: 07-07-2021

Place: Bengaluru

*Kannan*

**NESL E-Infrastructure Limited**

CIN: U72200MH2017GOI302982

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

(All amounts are in INR thousands, unless otherwise stated)

Particulars	Note	2021	2020
Revenue from operations	18	8,857	4,524
Other income	19	703	683
<b>Total Income (A)</b>		<b>9,560</b>	<b>5,207</b>
<b>Expenses:</b>			
Cost of services	20	5,125	3,227
Employee benefit expenses	21	65	-
Finance costs	22	52	46
Other expenses	23	1,203	1,137
Depreciation and amortisation expense	4 & 5	309	166
<b>Total Expenses (B)</b>		<b>6,754</b>	<b>4,576</b>
<b>Profit/(Loss) before exceptional items and tax (A - B)</b>		<b>2,806</b>	<b>631</b>
Current tax		(733)	(130)
Deferred tax	7	(6)	(36)
<b>Profit/(Loss) for the period from continuing operations</b>		<b>2,067</b>	<b>465</b>
<b>Other comprehensive income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss in subsequent periods</b>		-	-
Income tax effect on above		-	-
<b>Items that will be reclassified to profit or loss in subsequent periods</b>		-	-
Income tax effect on above		-	-
<b>Total other comprehensive income for the year</b>		-	-
<b>Total comprehensive profit/ (loss) for the year</b>		<b>2,067</b>	<b>465</b>
<b>Earning per equity share of face value of Rs.10 each</b>			
<b>Basic and Diluted (Amount in ₹. Per share)</b>	28	<b>2.07</b>	<b>0.47</b>

Significant accounting policies

3

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

As per our report of even date attached

For **Ramnarain and co**

Chartered Accountants

Firm registration number: 003021S

For and on behalf of the Board of Directors of  
**NESL E-Infrastructure Limited**


R. Ravi

Partner

Membership No. 019898

Date: 07-07-2021

Place: Bengaluru

UDIN: 21019898AAAAFU9837




S. Sadagopan

Director

DIN: 00118285

Diwakar Kannan

Director

DIN. 07925747

Date: 07-07-2021

Place: Bengaluru




**NESL E-Infrastructure Limited**  
CIN: U72200MH2017GOI302982  
**Cash Flow Statement for the year ended March 31, 2021**  
(All amounts are in INR thousands, unless otherwise stated)

Particulars	Note	2021	2020
<b>Cash Flow from Operating Activities</b>			
<b>Profit/ (Loss) for the period before tax</b>		<b>2,806</b>	<b>631</b>
Adjustment to reconcile net profit to net cash provided by operating activities			
Depreciation		309	166
Finance cost		52	46
(Gain)/Loss on lease modification		46	(8)
Interest income		(692)	(628)
<b>Operating cash flow before working capital changes</b>		<b>2,521</b>	<b>207</b>
Changes in			
Trade payables		1,714	(285)
Other financial liabilities		-	(65)
Other Current Liabilities		110	1,894
Provisions current/non current		1,806	849
Trade receivables		4,633	(5,006)
Other Financial Assets		(1,732)	(218)
Other Current/non current Assets		1,669	(1,232)
Cash generated from operations		<b>10,721</b>	<b>(3,856)</b>
Income Taxes (paid)/refund		(810)	576
<b>Net cash generated by operating activity (A)</b>		<b>9,911</b>	<b>(3,280)</b>
<b>Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment and Intangible assets		(69)	-
Interest received on investments		469	624
Investment in FD's		(5,000)	-
<b>Net cash used in investing activities (B)</b>		<b>(4,600)</b>	<b>624</b>
<b>Cash Flow from Financing Activities</b>			
Repayment of Lease liability on Right of Use assets - IndAS 116		(182)	(115)
Interest paid Lease liability on Right of Use assets - IndAS 116		(36)	(37)
Share issue expenses net of tax		-	-
Issue of shares		-	-
<b>Net cash generated in financing activities (C)</b>		<b>(218)</b>	<b>(152)</b>
<b>Net increase/(decrease) in Cash or Cash equivalents</b>		<b>5,093</b>	<b>(2,808)</b>
Cash and Cash Equivalent at the beginning		1,911	4,719
<b>Cash and Cash Equivalent at the close</b>		<b>7,004</b>	<b>1,911</b>
<b>Components of cash and cash equivalents</b>	9.2		
Balances with banks			
Current accounts		6,261	1,197
Fixed deposits		743	714
<b>Total cash and cash equivalents</b>		<b>7,004</b>	<b>1,911</b>

As per our report of even date attached

For **Ramnarain and co**

Chartered Accountants

Firm registration number: 003021S

  
R. Ravi

Partner

Membership No. 019898  
Date: 07-07-2021

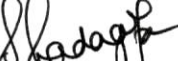
Place: Bengaluru

UDIN : 21019898AAAAFU9837



For and on behalf of the Board of Directors of

**NESL E-Infrastructure Limited**

  
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Diwakar Kannan

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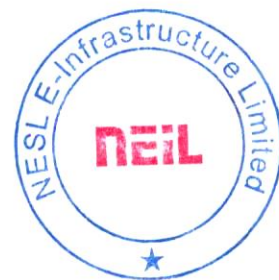
DIN: 07925747

Date: 07-07-2021

Place: Bengaluru



Place: Bengaluru



**NESL E-Infrastructure Limited**

CIN: U72200MH2017GOI302982

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

(All amounts are in INR thousands, unless otherwise stated)

**a) Equity share capital**

**Equity shares of Rs 10 each issued, subscribed and fully paid**

	2021		2020	
	Nos.	Amount	Nos.	Amount
<u>Equity shares</u>				
At the beginning of the year	1,000	10,000	1,000	10,000
Changes during the year	-	-	-	-
<b>At the end of the year</b>	<b>1,000</b>	<b>10,000</b>	<b>1,000</b>	<b>10,000</b>

**b) Other equity**

Particulars	Retained earnings	Total
	Note 12	
Opening balance as at April 1, 2019	97	97
Profit for the year	465	465
Transition impact of Ind AS 116	(19)	(19)
Other comprehensive income	-	-
<b>Balance as at March 31, 2020</b>	<b>543</b>	<b>543</b>
Opening balance as at April 1, 2020	543	543
Profit for the year	2,067	2,067
Other comprehensive income	-	-
<b>Balance as at March 31, 2021</b>	<b>2,610</b>	<b>2,610</b>

As per our report of even date attached

For **Ramnarain and co**

Chartered Accountants

Firm registration number: 003021S



R. Ravi

Partner

Membership No. 019898

Date: 07-07-2021

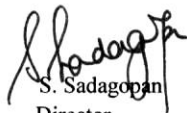
Place: Bengaluru

UDIN: 21019898AAAUFU9837



For and on behalf of the Board of Directors of

**NESL E-Infrastructure Limited**



S. Sadagopan

Director

DIN: 00118285

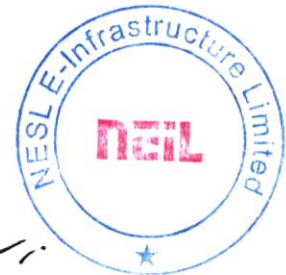
Diwakar Kannan

Director

DIN. 07925747

Date: 07-07-2021

Place: Bengaluru



*Kannan*

Company overview and significant accounting policies

**1. Corporate information**

NESL E-Infrastructure Limited ('Company'), was incorporated on 18th December, 2017. The Company has its registered office in Mumbai and its administrative office in Bengaluru. The main object of the Company is to function as a digital locker service provider, digital repository for digital locker authority, offer services of Aadhaar based authentication user agency/ know your customer user agency, offer services of electronic signatures by enrolling as a certifying authority and other e-infrastructure services. The Company currently provides Central Know Your Customer services ('CKYC services') and Offline Know Your Customer Services ('OKYC services') under master direction on KYC by RBI.

The Financial Statements for the year ended March 31, 2021 were approved by the Board of Directors and authorized for issue on July 07, 2021.

**2. Basis for preparation and presentation**

**Statement of Compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies Act 2013 ('Act'). The Ind AS is prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendment Rules, 2016 as amended subsequently by applicable amendment rules as amended from time to time upto 2021.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Basis of preparation and presentation**

The financial statements have been prepared on the historical cost convention except for:

- certain financial instruments that are measured at fair values at the end of each reporting period under IndAS as suitably described in the accounting policies.
- certain arrangements which, are treated as being leases under Ind AS 116 Leases and, are capitalized as Right of Use assets, at fair value of estimated cash flows towards such rights over estimated lease term.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 economic best 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.

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 standalone Ind AS 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:



Company overview and significant accounting policies

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. This note summarizes accounting policy for fair value and the other fair value related disclosures are given in the relevant notes.

Previous year's figures, where necessary have been regrouped, recast and reclassified suitably to correspond with those of current year's figures. All amounts stated in the financial statements and notes to accounts have been rounded off to the nearest thousands as per the requirement of Schedule III Division 2, unless otherwise stated.

### 3. Summary of significant accounting policies

#### (a) Revenue recognition

Revenue is measured at fair value of consideration, received or receivable net of discounts and revenue share, taking into account contractually defined terms and excluding taxes, duties collected on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized.

##### *Income from operational activities*

For OKYC services, revenue on installation (of the software), as outlined in the customer contract or order, is recognized on completion of installation platform at the customer's end.

For CKYC and OKYC services, revenue is recognized when the provision of service is accepted and the certificate/confirmation for completion of service is issued by the customer which is a significant event to recognize revenue.

##### *Interest income*

Interest income is recognized, on a time proportionate basis with respect to principal balance outstanding using effective interest rate method.

#### (b) Functional currency

The Ind AS financial statements are presented in INR, which is also the Company's functional currency and all values are rounded off to the nearest thousands, unless otherwise stated. Transactions in foreign currencies, if any, are initially recorded by the Company at their respective functional currency spot rates at the date; the transaction first qualifies for recognition. However, for practical reasons, the Company uses an average rate, if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not



**Company overview and significant accounting policies**

retranslated. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income (“OCI”) or profit and loss are also recognized in OCI or profit and loss, respectively).

**(c) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax related to items recognised outside statement of profit and loss is recognised either in OCI or in equity in correlation to the underlying transaction. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences, except:

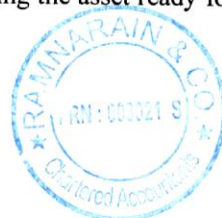
- when the deferred tax liability or asset arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

**(d) Property, plant and equipment, depreciation and amortisation**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses.



Company overview and significant accounting policies

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of profit and loss. An individual item of property, plant and equipment with value less than Rs 5,000/- is not recognized for capitalization and is written off in the statement of profit and loss

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Companies Act, 2013.

<u>Category</u>	<u>Useful life (years)</u>
Computers and accessories	3
Other software	5

Leasehold improvements are amortized on a straight-line basis over the unexpired period of lease or five years whichever is less.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. The value of the residual value is limited to 5% of the original cost of Property, Plant and Equipment as per the requirement of Schedule II to the Companies Act, 2013.

*Useful lives of property, plant and equipment*

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

**(e) Intangible assets**

Intangible assets acquired, if any, separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The amortization expense on intangible assets is recognized in the statement of profit and loss.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss, when the asset is derecognized.

The cost of computer software is capitalized and amortized on a straight-line basis over the useful life of five years, as estimated by the management.

**(f) Borrowing costs-**

Borrowing costs include:

- (i) Interest expense calculated using the effective interest rate method,
- (ii) Finance charges in respect of finance leases, and
- (iii) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.



**Company overview and significant accounting policies**

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

**(g) Leases**

The arrangements, including contracts, are evaluated if they are a lease or have a lease component. This determination is made at the inception of the contract. In case of arrangement having lease and non-lease components, these are separately accounted. Leases identified are accounted individually as separate leases.

Arrangements whose fulfilment depend on a specific asset which is identified under the arrangement to fulfil obligations, either expressly or in substance and the Company has substantive right to use such specific asset over a period of time under arrangement, and to obtain substantially all economic benefit over such period of time constitute Leases. Lease term includes non-cancellable period under arrangement and period during which the Company is reasonably certain to use such identified assets. Such Lease arrangements identified, are recorded as Right of Use assets along with a lease liability by discounting the future cash flows under the lease arrangement, using implicit rate or incremental borrowing rate applicable for the lease term. Right of Use assets are depreciated over the lease term and interest expense is recorded under other finance costs on present valuing the lease liability in the subsequent years.

Any change in terms of the arrangement is evaluated, as to whether such change constitutes a modification or a separate lease. Any reduction in specific identified in lease, is accounted as modification of leases. The new lease arrangement is recorded present valuing the remaining payments for the asset under the arrangement. Any gain or loss is recorded on comparison of changes in value of Right of use asset and lease liability between the original and modified lease terms, calculated as on modification date.

Arrangements which contain low value leases with monthly outflow of less than Rs 10,000 or arrangements which contain lease with original term of upto 12 months are not accounted as lease arrangements under Ind AS 116.

**(h) Impairment of non-financial assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in statement of profit and loss.



Company overview and significant accounting policies

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. Such reversal is recognized in the statement of profit and loss.

The Company reviews its Property, Plant and Equipment and Intangible Assets annually, or more frequently when there is an indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**(i) Provisions**

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**(j) Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss.

*Paid compensated absences*

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The cost incurred towards paid compensated absences, including the gain or loss on such actuarial valuation, is recognized in the statement of profit and loss.

**(k) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



Company overview and significant accounting policies

**Financial assets**

*Initial recognition and measurement*

All financial assets, other than financial assets fair valued through profit and loss account, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of financial asset. Transaction costs that are attributable to the acquisition of the financial asset fair valued through profit and loss account are expensed as incurred.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial asset at amortized cost
- Financial asset at fair value through other comprehensive income (FVTOCI)
- Financial asset at fair value through statement of profit and loss (FVTPL)

A financial asset is measured at the amortized cost, if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method. This category generally applies to trade and other receivables.

A financial asset is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Financial asset included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI.

FVTPL is a residual category for financial asset, if any, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

*De-recognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the balance sheet) 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.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.



#### Company overview and significant accounting policies

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

#### *Impairment of financial assets*

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets and credit risk exposure. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract work-in-progress. The application of simplified approach does not require the Company to track changes in credit risk; rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

The Company uses a provision matrix based on age to determine impairment loss allowance on portfolio of its trade receivables and contract work-in-progress. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

#### **Financial liabilities**

#### *Initial recognition and measurement*

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include lease liabilities, trade and other payables.

#### *Subsequent measurement*

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit and loss. Gains or losses on liabilities held for trading are recognized in the profit and loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in profit and loss when the liabilities are derecognized as well as through the amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The amortization is included as finance costs in the statement of profit and loss.

#### *De-recognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition 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 and loss.

#### **Equity Instrument**

An equity instrument is a contract that evidences residual interest in the assets of the Company after



**NESL E-Infrastructure Limited**

CIN: U72200MH2017GOI302982

**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**Company overview and significant accounting policies**

deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net off direct issue cost.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet, if there is a currently enforceable legal right to offset the recognized amounts and there is an intention either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

**(l) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(m) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

**(n) Earnings per share**

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**Significant accounting judgments, estimates and assumptions**

In the application of the Company's accounting policies, which are described in this note 3, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period:

- Recognition of deferred taxes
- Impairment of trade receivables
- Estimated useful life and implicit interest rate/incremental borrowing rate used for recognizing Right of Use assets



NESL E-Infrastructure Limited

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Notes to the Ind AS financial statements for the year ended March 31, 2021

(All amounts are in INR thousands, unless otherwise stated)

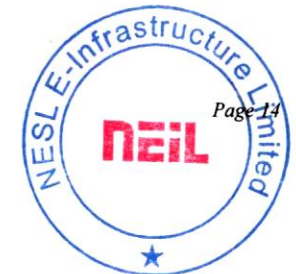
**Non - current assets**

**4 Property Plant and Equipment and Other intangible assets**

Description	Cost			Depreciation/amoritsation				Carrying amount		
	As on 01-Apr-20	Additions	Deletion	As on 31-Mar-21	As on 01-Apr-20	For the Period	Withdrawals	Upto 31-Mar-21	WDV as on 31-Mar-21	WDV as on 31-Mar-20
<b>Tangible assets</b>										
Computers	-	54	-	54	-	9	-	9	45	-
<b>Total</b>	-	54	-	54	-	9	-	9	45	-
<i>Previous year comparatives (FYE 2020)</i>	-	-	-	-	-	-	-	-	-	-
<b>Other intangible assets</b>										
Other software	-	15	-	15	-	1	-	1	14	-
<b>Total</b>	-	15	-	15	-	1	-	1	14	-
<i>Previous year comparatives (FYE 2020)</i>	-	-	-	-	-	-	-	-	-	-

**5 Right of use asset**

Description	Cost			Depreciation/amoritsation				Carrying amount		
	As on 01-Apr-20	Additions	Deletion	As on 31-Mar-21	As on 01-Apr-20	For the Year	Withdrawals	Upto 31-Mar-21	WDV as on 31-Mar-21	WDV as on 31-Mar-20
Servers	531	627	-	1,158	166	299	-	465	693	365
<b>Total</b>	531	627	-	1,158	166	299	-	465	693	365
<i>Previous year comparatives (FYE 2020)</i>	-	-	-	-	-	-	-	-	-	-



**NESL E-Infrastructure Limited**

CIN: U72200MH2017GOI302982

**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**Non-current Assets**

**6 Financial assets**

**6.1 Other financial assets**

Particulars	2021	2020
Fixed deposits with maturity more than 12 months from the balance sheet date	8,600	-
<b>Total</b>	<b>8,600</b>	<b>-</b>

**7 Deferred tax asset (net)**

Particulars	Balance as at 2020	Recognised/ (reversed) during the year in statement of Profit and Loss	Recognised/ (reversed) during the year in OCI	Recognised/ (reversed) during the year in Equity	Balance as at 2021
Depreciation	-	(4)	-	-	(4)
Preliminary expenses u/s 35D of the Income Tax Act, 1961	7	(3)	-	-	4
Expenses under sec 40A (7) of the Income Tax Act, 1961- Provision for gratuity	-	0	-	-	0
Expenses under sec 43B of the Income Tax Act, 1961- Provision for leave encashment	-	1	-	-	1
Deferred tax asset on carry forward income tax losses	-	-	-	-	-
<b>Total</b>	<b>7</b>	<b>(6)</b>	<b>-</b>	<b>-</b>	<b>1</b>

- The tax rates under Income Tax Act 1961, considered is 26% (2020) and 26% (2021). The Company has opted for regular rate 26% under the Finance Act instead of 25.168% available under section 115 BAA, Income Tax Act, 1961.

**8 Other non-current assets**

Particulars	2021	2020
Security deposit - non current non refundable	21	21
<b>Total</b>	<b>21</b>	<b>21</b>

**Current Assets**

**9 Financial Assets**

**9.1 Trade receivables**

Particulars	2021	2020
(a) Trade Receivables considered good - Secured;	-	-
(b) Trade Receivables considered good - Unsecured;	679	5,311
(c) Trade Receivables which have significant increase in Credit Risk	-	-
(d) Trade Receivables - credit impaired	-	-
<b>Total</b>	<b>679</b>	<b>5,311</b>

**9.2 Cash and cash equivalents**

Particulars	2021	2020
<b>Balance with banks (of the nature of cash and cash equivalents)</b>		
In current accounts	6,261	1,197
In fixed deposits (Refer note below)	742	713
Income accrued but not due on fixed deposits (Cash and cash equivalent)	1	1
<b>Total</b>	<b>7,004</b>	<b>1,911</b>

**9.3 Other bank balances**

Particulars	2021	2020
Fixed deposits with maturity less than 12 months from the balance sheet date	5,000	8,600
<b>Total</b>	<b>5,000</b>	<b>8,600</b>

Note: Fixed deposits with original maturity period less than 3 months are classified as "Cash and cash equivalents" and fixed deposit with original maturity period more than 3 months but maturing within 12 months, if any, from the balance sheet date are classified as "Other bank balances".

**9.4 Other financial assets**

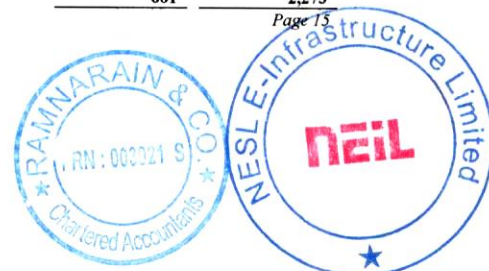
Particulars	2021	2020
Income accrued but not due on fixed deposits	228	5
Security deposit - current refundable*	285	285
Unbilled revenue	1,934	202
<b>Total</b>	<b>2,447</b>	<b>492</b>

\*This includes Rs 2,85,000/- paid to LIC as security deposit for leasing of premises, for which an agreement was yet to be entered as on 31st March, 2021.

**10 Other current assets**

Particulars	2021	2020
TDS receivable	299	222
Prepaid expenses	360	1,517
Advances paid	-	3
Input GST	22	531
<b>Total</b>	<b>681</b>	<b>2,273</b>

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**NESL E-Infrastructure Limited**

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**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**11 Share capital**

Particulars	2021	2020
<b>Authorised share capital</b>		
10,00,000 (previous period: 10,00,000) number of equity shares of Rs. 10/- each.	10,000	10,000
	<b>10,000</b>	<b>10,000</b>
<b>Issued, subscribed and fully paid-up share capital</b>		
10,00,000 (previous period: 10,00,000) number of equity shares of Rs. 10/- each.	10,000	10,000
	<b>10,000</b>	<b>10,000</b>

**Reconciliation of equity shares outstanding and the amount of share capital is set out below:**

Particulars	2021		2020	
	Number of shares (,000)	Amount	Number of shares (,000)	Amount
Number of shares at the beginning of the year	1,000	10,000	1,000	10,000
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>1,000</b>	<b>10,000</b>	<b>1,000</b>	<b>10,000</b>

Note :

(i) The Company has only one class of equity shares having a par value of Rs 10/- per share . All the equity shares rank pari passu with the existing shares. Each holder of equity share is entitled to one vote per share.

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

**Particulars of equity shareholders holding more than 5 percent of equity shares:**

Name of the shareholder	2021		2020	
	Number of shares (,000)	Percentage holding	Number of shares (,000)	Percentage holding
The holding company National E-Governance Services Limited, together with its nominee	1,000	100%	1,000	100%

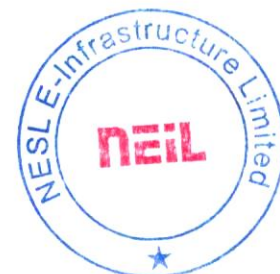
**Particulars of shares held by holding company**

	2021		2020	
	Number of shares (,000)	Paid up capital	Number of shares (,000)	Paid up capital
The holding company National E-Governance Services Limited, together with its nominee	1,000	10,000	1,000	10,000

**Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

The Company has not bought back any shares during the period from the date of inception to March 31, 2021. Further, the Company has not issued any bonus shares or issued shares for consideration other than cash during the year and period from the date of inception to March 31, 2021.

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**NESL E-Infrastructure Limited**

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**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**Equity**

<b>12 Other equity</b>		
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Opening balance	543	97
Profit/( Loss) for the period	2,067	465
Transition impact of Ind AS 116	-	(19)
<b>Total</b>	<b>2,610</b>	<b>543</b>

**Non-current liabilities**

**13 Financial liabilities**

**13.1 Lease liabilities**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Lease liability	385	273
<b>Total</b>	<b>385</b>	<b>273</b>

**14 Provisions (non-current)**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Provision for gratuity (non-current)	2	-
Provision for leave encashment (non-current)	4	-
<b>Total</b>	<b>6</b>	<b>-</b>

**Current liabilities**

**15 Financial liabilities**

**15.1 Lease liabilities**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Lease liability - current	576	180
<b>Total</b>	<b>576</b>	<b>180</b>

**15.2 Trade payables**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Total outstanding dues of micro enterprises and small enterprises	676	-
Total outstanding dues of creditors other than micro and small enterprises		
Related parties	3,683	2,675
Others:		
Creditors for supplies & services	636	606
<b>Total</b>	<b>4,995</b>	<b>3,281</b>

Note: According to the data available with the Company there are no parties who are registered as micro and small enterprises under the "The Micro, Small and Medium Enterprises Act, 2006" to whom the Company has paid interest for delayed payment or any such interest is payable on balances outstanding as at March 31, 2021.

**15.3 Other financial liabilities**

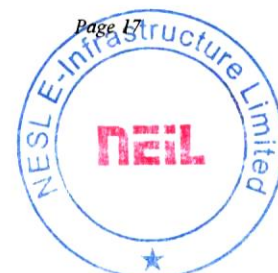
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
RFP security deposit	900	900
Other security deposits	5	5
<b>Total</b>	<b>905</b>	<b>905</b>

**16 Other current liabilities**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Statutory Remittances	466	556
Deferred revenue	1,883	1,682
Advance received from customers	2	-
Honorarium payable	-	3
<b>Total</b>	<b>2,351</b>	<b>2,241</b>

**17 Provisions**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Provision for expenses	3,357	1,557
<b>Total</b>	<b>3,357</b>	<b>1,557</b>



**NESL E-Infrastructure Limited**

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**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**18 Revenue from operations**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Central Know Your Customer Services income	847	815
Offline Know Your Customer services income:		
One Time Installation Setup Fee	2,179	3,330
OKYC services	5,831	379
<b>Total*</b>	<b>8,857</b>	<b>4,524</b>
<b>* Summary of billing and revenue recognised</b>	<b>2021</b>	<b>2020</b>
Opening balance: Deferred revenue and Unbilled revenue	1,481	(264)
Total billing for the period	9,651	7,223
(-) Deferred revenue ( disclosed in note 16)	(1,883)	(1,682)
(+) Unbilled revenue ( disclosed in note 9.4)	1,934	202
(-) Revenue share payable	(2,326)	(955)
<b>Revenue recognised for the period</b>	<b>8,857</b>	<b>4,524</b>

**19 Other Income**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Interest on fixed deposits	692	628
Interest on IT Refund	11	47
Gain on lease modification	-	8
<b>Total</b>	<b>703</b>	<b>683</b>

**20 Cost of services**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Offsite data entry & cropping work	281	63
Subscription charges for trackwizz CKYC	287	72
IT Consulting Expenses	1,023	439
Virtual machine infrastructure service	366	114
Other IT expenses	97	110
Other operating expenses	3,071	2,429
<b>Total</b>	<b>5,125</b>	<b>3,227</b>

**21 Employee benefit expenses**

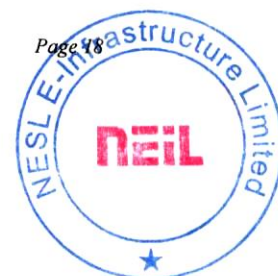
<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Salary & allowances	59	-
Gratuity expense	2	-
Leave encashment and compensated leave benefits	4	-
<b>Total</b>	<b>65</b>	<b>-</b>

**22 Finance costs**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Interest expense on lease liabilities	52	46
<b>Total</b>	<b>52</b>	<b>46</b>

**23 Other Expenses**

<b>Particulars</b>	<b>2021</b>	<b>2020</b>
Auditors remuneration	50	50
Out of pocket expenses	2	-
Internal audit	50	50
Loss on lease modification	46	-
Professional fees	817	743
Directors' sitting fee	100	175
Rates & taxes	3	2
Other expenses	135	117
<b>Total</b>	<b>1,203</b>	<b>1,137</b>



**NESL E-Infrastructure Limited**

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**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**24 Related Party Disclosures**Names of related parties

Names of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company : National E-Governance Services Limited  
 Fellow Subsidiary : NESL Asset Data Limited

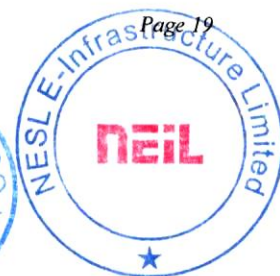
Note: There are no key management personnel in the company

**Details of transactions entered into with related parties along with balances as at year end are as given below:**

Particulars	Transactions		Total	
	2021	2020	2021	2020
<b>A. Transactions during the year</b>				
<b>Investment by holding company</b>				
National E-Governance Services Limited	-	-	-	-
<b>Expenses from holding company</b>				
National E-Governance Services Limited	2,232	2,600	2,232	2,600
	<b>2,232</b>	<b>2,600</b>	<b>2,232</b>	<b>2,600</b>
<b>Income from holding company</b>				
National E-Governance Services Limited	1,140	2	1,140	2
	<b>1,140</b>	<b>2</b>	<b>1,140</b>	<b>2</b>
<b>Expenses from fellow subsidiary</b>				
NESL Asset Data Limited	-	166	-	166
	-	<b>166</b>	-	<b>166</b>
<b>Total</b>	<b>3,372</b>	<b>2,768</b>	<b>3,372</b>	<b>2,768</b>

**B. Balances outstanding as at year end**

Particulars	Balances		Total	
	2021	2020	2021	2020
<b>Investment by holding company</b>				
National E-Governance Services Limited	10,000	10,000	10,000	10,000
	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>
<b>Payable to holding company</b>				
National E-Governance Services Limited	3,683	2,674	3,683	2,674
	<b>3,683</b>	<b>2,674</b>	<b>3,683</b>	<b>2,674</b>
<b>Payable to fellow subsidiary</b>				
NESL Asset Data Limited	-	203	-	203
	-	<b>203</b>	-	<b>203</b>
<b>Total</b>	<b>13,683</b>	<b>12,877</b>	<b>13,683</b>	<b>12,877</b>



NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

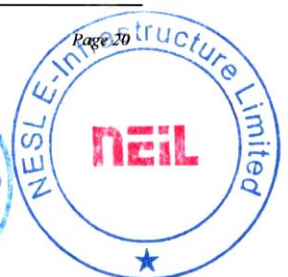
Notes to the Ind AS financial statements for the year ended March 31, 2021

(All amounts are in INR thousands, unless otherwise stated)

25.1 Gratuity plan

The following table sets out the status of the unfunded gratuity plan as required by Ind AS 19 - 'Employee benefits'.

<b>Amount Recognized in Statement of Financial Position at Period-End</b>	<b>2021</b>	<b>2020</b>
Present Value of Unfunded Defined Benefit Obligation	2	-
Fair value of Plan Assets	-	-
	2	-
Present Value of Funded Defined Benefit Obligation	-	-
Unrecognised Asset due to the Asset Ceiling	-	-
<b>Net Defined Benefit (Asset)/Liability Recognised in Statement of Financial Position</b>	<b>2</b>	<b>-</b>
<b>Net Defined Benefit Cost/(Income) included in Statement of Profit &amp; Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Service Cost	2	-
Net Interest Cost	-	-
Past Service Cost	-	-
Administration Expenses	-	-
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss</b>	<b>2</b>	<b>-</b>
<b>Current / Non-Current Bifurcation</b>	<b>2021</b>	<b>2020</b>
Current Benefit Obligation	0	-
Non - Current Benefit Obligation	2	-
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>2</b>	<b>-</b>
<b>Actual Return on Plan Assets</b>	<b>2021</b>	<b>2020</b>
Interest Income on Plan Assets	-	-
Remeasurements on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	<b>-</b>	<b>-</b>
<b>Analysis of Amounts Recognized in Other Comprehensive (Income)/Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Amount recognized in OCI, Beginning of Period	-	-
<b>Remeasurements due to :</b>		
Effect of Change in financial assumptions	-	-
Effect of Change in demographic assumptions	-	-
Effect of experience adjustments	-	-
(Gain)/Loss on Curtailments/Settlements	-	-
Return on plan assets (excluding interest)	-	-
Changes in asset ceiling	-	-
<b>Total remeasurements recognized in OCI</b>	<b>-</b>	<b>-</b>
<b>Amount recognized in OCI, End of Period</b>	<b>-</b>	<b>-</b>
<b>Total Defined Benefit Cost/(Income) included in Profit &amp; Loss and Other Comprehensive Income</b>	<b>2021</b>	<b>2020</b>
Amount recognized in P&L, End of Period	2	-
Amount recognized in OCI, End of Period	-	-
<b>Total Net Defined Benefit Cost/(Income) Recognized at Period-End</b>	<b>2</b>	<b>-</b>
<b>Change in the Unrecognised Asset due to the Asset Ceiling During the Period</b>	<b>2021</b>	<b>2020</b>
Unrecognised Asset, Beginning of Period	-	-
Interest on Unrecognised Asset Recognised in P&L	-	-
Other changes in Unrecognised Asset due to the Asset Ceiling	-	-
<b>Unrecognised Asset, End of Period</b>	<b>-</b>	<b>-</b>
<b>Change in Defined Benefit Obligation during the Period</b>	<b>2021</b>	<b>2020</b>
Defined Benefit Obligation, Beginning of Period	-	-
Net Current Service Cost	2	-
Interest Cost on DBO*	-	-
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	-	-
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>2</b>	<b>-</b>



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Notes to the Ind AS financial statements for the year ended March 31, 2021

(All amounts are in INR thousands, unless otherwise stated)

<b>Change in Fair value of Plan Assets during the Period</b>	<b>2021</b>	<b>2020</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefits Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>

<b>Reconciliation of Balance Sheet Amount</b>	<b>2021</b>	<b>2020</b>
Balance Sheet (Asset)/Liability, Beginning of Period	-	-
Total Charge/(Credit) Recognised in Profit and Loss	2	-
Total Remeasurements Recognised in OC (Income)/Loss	-	-
Acquisitions/Business Combinations/Divestitures	-	-
Actual Employer Contribution	-	-
Other Events	-	-
<b>Balance Sheet (Asset)/Liability, End of Period</b>	<b>2</b>	<b>-</b>

<b>Financial Assumptions Used to Determine the Defined Benefit Obligation</b>	<b>2021</b>	<b>2020</b>
Discount Rate	7.07%	-
Salary Escalation Rate	12.00%	-

<b>Financial Assumptions Used to Determine the Profit &amp; Loss Charge</b>	<b>2021</b>	<b>2020</b>
Discount Rate	7.07%	-
Salary Escalation Rate	12.00%	-
Expected Return on Plan Assets	N.A.	-

<b>Demographic Assumptions Used to Determine the Defined Benefit Obligation</b>	<b>2021</b>	<b>2020</b>
Withdrawal Rate	5.00%	-
Mortality Rate	IALM (2012-14) Ult	-
Retirement Age	60 years	-

<b>Asset Category</b>	<b>2021</b>		<b>2021</b>
	<b>Quoted Value</b>	<b>Non-Quoted Value</b>	<b>Total</b>
Government of India Securities (Central and State)	0.00%	0.00%	0.00%
High quality corporate bonds (including Public Sector Bonds)	0.00%	0.00%	0.00%
Equity shares of the Company	0.00%	0.00%	0.00%
Insurer Managed Funds & T-bills	0.00%	0.00%	0.00%
Cash (including Bank Balance, Special Deposit Scheme)	0.00%	0.00%	0.00%
Others	0.00%	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

The scheme is unfunded and the unfunded accrued cost is recognised through a reserve in the Accounts of the Company.

<b>Expected Cashflows for the Next Ten Years</b>	<b>2021</b>
Year - 2022	0
Year - 2023	0
Year - 2024	0
Year - 2025	0
Year - 2026	0
Year - 2027 to 2031	1

<b>Defined Benefit Obligation by Participant Status</b>	<b>2021</b>
a. Actives	2
b. Vested Deferees	-
c. Retirees	-
<b>Total Defined Benefit Obligation</b>	<b>2</b>

<b>Sensitivity Analysis</b>	<b>2021</b>
Defined Benefit Obligation - Discount Rate + 100 basis points	(0)
Defined Benefit Obligation - Discount Rate - 100 basis points	0
Defined Benefit Obligation - Salary Escalation Rate + 100 basis points	0
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	(0)



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**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**25.2 Leave Encashment & Compensated absence scheme**

The following table sets out the status of leave Encashment & Compensated absence scheme as required by Ind AS 19 - 'Employee benefits'.

<b>Amounts in Balance Sheet at Period-End</b>	<b>2021</b>	<b>2020</b>
Present Value of Unfunded Defined Benefit Obligation	4	-
Fair value of Plan Assets	-	-
	4	-
Present Value of Funded Defined Benefit Obligation	-	-
Unrecognised Asset due to Asset Ceiling	-	-
<b>(Asset)/Liability Recognised in the Balance Sheet</b>	<b>4</b>	<b>-</b>
<b>Amounts Recognised in Statement of Profit &amp; Loss at Period-End</b>	<b>2021</b>	<b>2020</b>
Service Cost	4	-
Net Interest Cost	-	-
Past Service Cost	-	-
Remeasurements	-	-
(Gain)/Loss due to Settlements/Curtailments/Terminations/Divestitures	-	-
Administration Expenses	-	-
<b>Total Expense/(Income) included in "Employee Benefit Expense"</b>	<b>4</b>	<b>-</b>
Note : The actuarial gains & losses are recognised, immediately, through profit & loss account.		
<b>Change in Defined Benefit Obligation during the Period</b>	<b>2021</b>	<b>2020</b>
Defined Benefit Obligation, Beginning of Period	-	-
Net Current Service Cost	4	-
Interest Cost on DBO	-	-
Actual Plan Participants' Contributions	-	-
Actuarial (Gains)/Losses	-	-
Changes in Foreign Currency Exchange Rates	-	-
Acquisition/Business Combination/Divestiture	-	-
Benefits Paid	-	-
Past Service Cost	-	-
Losses / (Gains) on Curtailments/Settlements	-	-
<b>Defined Benefit Obligation, End of Period</b>	<b>4</b>	<b>-</b>
<b>Change in Fair value of Plan Assets during the Period</b>	<b>2021</b>	<b>2020</b>
Fair value of Plan Assets, Beginning of Period	-	-
Interest Income on Plan Assets	-	-
Actual Company Contributions	-	-
Actual Plan Participants' Contributions	-	-
Actual Taxes Paid	-	-
Actual Administration Expenses Paid	-	-
Changes in Foreign Currency Exchange Rates	-	-
Actuarial Gains/(Losses)	-	-
Benefit Paid	-	-
Acquisition/Business Combination/Divestiture	-	-
Assets extinguished on Settlements/Curtailments	-	-
<b>Fair value of Plan Assets, End of Period</b>	<b>-</b>	<b>-</b>

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25 Disclosures under IndAS 116

a. Expenses relating to short term leases or low value leases

Particulars	2021	2020
Expenses relating to short term leases	-	-
Expenses relating to leases of low-value	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

b. Maturity analysis of lease liability, disclosed under note. 13.1 and 15.1

Particulars	2021	2020
<b>Future lease payments (undiscounted)</b>		
2020-21	-	203
2021-22	612	153
2022-23	396	140
<b>Total future lease payments (undiscounted)</b>	<b>1,008</b>	<b>496</b>
Total future finance costs	(47)	(43)
<b>Lease liability</b>	<b>961</b>	<b>453</b>
Short-term portion presented under current liabilities (refer note 15.1)	576	180
Long-term portion presented under non-current liabilities (refer note 13.1)	385	273

26 The carrying value and fair value of financial instruments by categories as at March 31, 2021 are as follows.

Particulars	Note	Carrying value		Fair value	
		2021	2021	2020	2020
<b>Financial assets</b>					
<b>Amortised cost</b>					
Other financial assets	6.1	8,600	8,600	-	-
Trade receivables	9.1	679	679	5,311	5,311
Cash and cash equivalents	9.2	7,004	7,004	1,911	1,911
Other bank balances	9.3	5,000	5,000	8,600	8,600
Other financial assets	9.4	2,447	2,447	492	492
		<b>23,730</b>	<b>23,730</b>	<b>16,314</b>	<b>16,314</b>
<b>Financial liabilities</b>					
<b>Amortised cost</b>					
Lease liability	13.1 & 15.1	961	961	453	453
Trade payables	15.2	4,995	4,995	3,281	3,281
Other financial liabilities	15.3	905	905	905	905
		<b>6,861</b>	<b>6,861</b>	<b>4,639</b>	<b>4,639</b>

27 Fair value hierarchy

This explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair values the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS 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

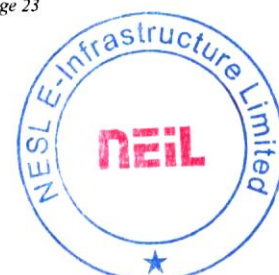
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

Note: There are no financial assets or financial liabilities which are measured at fair value in the Company.

27.1.1 Financial assets and liability measured at fair value - recurring fair value measurement as at March 31, 2021

Particulars	Note	Fair value measurement using			
		Total	Level 1	Level 1	Level 3
<b>Assets measured at fair value:</b>					
-None-		-			
<b>Liabilities measured at fair value:</b>					
-None-		-			



**NESL E-Infrastructure Limited**

CIN: U72200MH2017GOI302982

**Notes to the Ind AS financial statements for the year ended March 31, 2021**

(All amounts are in INR thousands, unless otherwise stated)

**27.1.2 Financial assets and liability measured at fair value - recurring fair value measurement as at March 31, 2021**

Particulars	Note	Fair value measurement using		
	Total	Level 1	Level 1	Level 3
<b>Assets measured at fair value:</b>				
-None-	-			
<b>Liabilities measured at fair value:</b>				
-None-	-			

**27.2 Specific valuation techniques used to value the above financial instruments include**

- 1) The use of quoted market prices
- 2) Discounting over the period of the contract using relevant market rate to arrive at fair value

**27.3 Financial risks and management and maturity profile**

Financial assets are periodically reviewed for credit, liquidity and market risks. Other financial assets (non-current) are deposits with Canara Bank, a listed public sector undertaking, and carry negligible risks except concentration risk. Since Canara Bank is majority owned by Government of India, credit and liquidity risks are assessed as negligible and do not warrant an elaborate risk management strategy for the risks (credit, liquidity and concentration) except balance confirmations done periodically. Trade receivables carry liquidity risks. Other financial assets (current) consists of accrued interest (on deposits with Canara Bank), and unbilled revenue which carries liquidity risk. Liquidity risks on unbilled revenue are managed and monitored through ageing, confirmations and follow-up with customers to mitigate possibilities of default.

\*Maturity profile of Fixed deposits disclosed in note 6.1 and 9.3

Sl no.	Maturing within	Amounts in Crores
1	1 year to 2 years	0.86
2	3 months to 12 months	0.50
	<b>Total</b>	<b>1.36</b>

**28 Earning per share**

Particulars	2021	2020
Profit/(loss) attributable to equity shareholders of the company	2,067	465
Number of shares outstanding as on the balance sheet date (units in thousands)	1,000	1,000
Weighted average number of shares for the purpose of EPS basic and diluted (units in thousands)	1,000	1,000
<b>Earnings per share basic and diluted (in ₹ per share)</b>	<b>2.07</b>	<b>0.47</b>

**29 Other notes accompanying the standalone financial statements**

- i) The Company is maintaining the Books of Account at its Administrative Office in Bengaluru as authorised by the Board of
- ii) The Company does not have any contingent liability or commitments which require recognition or disclosure in the financial statements

As per our report of even date attached

For **Ramnarain and co**  
Chartered Accountants

Firm registration number: 003021S

*Ravi*

R. Ravi

Partner

Membership No. 019898

Date: 07-07-2021

Place: Bengaluru

UDIN: 21019898AAAAFU9837



For and on behalf of the Board of Directors of  
**NESL E-Infrastructure Limited**

*S. Sadagopan*

S. Sadagopan

Director

DIN: 00118285

Diwakar Kannan

Director

DIN: 07925747

Date: 07-07-2021

Place: Bengaluru

*Diwakar Kannan*

