

Independent Auditor's Report

To the Members of NESL E-Infrastructure Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **NESL E-Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, of the state of affairs of the Company as at March 31, 2025, and of its profit (including Other Comprehensive Income), changes in equity and cash flows for the year then ended. The Standalone financial statements have been prepared on a discontinued operations basis, reflecting the Company's decision to discontinue its operations and become a dormant entity from the financial year 2025–26. They have been prepared in accordance with the requirements of the Companies Act, 2013 ("the Act").

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

Emphasis of Matter

We draw attention to Note 1 to the Standalone financial statements, which describes that the Company has discontinued its operations and will become a dormant entity from the financial year 2025–26. Accordingly, the Standalone financial statements for the year ended March 31, 2025, have been prepared on a basis other than going concern, as described in the said Note. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year. We have determined that there are no additional key audit matters beyond those reported in our current year report, given the discontinuation of major operations and the limited transactions in the FY 2025-26.

Information Other than the Financial Statement and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Management and Those charged with Governance for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern. However, as disclosed in Note 1, the Company has decided to discontinue operations and become a dormant entity from FY 2025–26; accordingly, these statements have been prepared on a discontinued operations basis.

Those Company's Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures.
- Conclude on the appropriateness of management's use of the discontinued-operations basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to the Company's decision to discontinue operations.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including disclosures, and whether the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the order), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Standalone financial statements, Balance Sheet, the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account. The dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - I. The Company does not have any pending litigations which would impact its financial position as on 31st March 2025.
 - II. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- IV. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above, contain any material misstatement.
- V. The Company has neither declared nor paid any dividend during the year.
- VI. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording an audit trail (edit log) facility. The audit trail feature was operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with.

As the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 became applicable with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 — relating to the use and preservation of audit trail as per statutory record retention requirements — is applicable for the financial year ended March 31, 2025.

Based on our audit procedures and the information and explanations provided to us, we confirm that the Company has complied with the aforesaid requirement, and the audit trail has been preserved in accordance with applicable legal and regulatory requirements.

3. The remuneration paid by the company to its directors is in accordance with the provisions of Section 197.
4. On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in "Annexure C".

For Balakrishna & Co.,
Chartered Accountants.
(Firm's Registration No. 004835S)

S V Prakasha
Partner
(Membership No. 210411)
UDIN: 25210411BMIAJM2161
Bengaluru, 20th June 2025.

“Annexure A” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of NESL-E INFRASTRUCTURE LIMITED of even date)

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to Standalone Financial Statements of **NESL E-INFRASTRUCTURE LIMITED** (the "Company") as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls with reference to Standalone Financial Statements 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 (the “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 Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements 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”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements. 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 with reference to Standalone Financial Statements 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 with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the

assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that

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

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

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

Inherent limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial control with reference to Standalone Financial Statements 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating

effectively as at March 31, 2025, based on the criteria for internal financial control with reference to Standalone Financial Statements 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 ICAI.

For Balakrishna & Co.,

Chartered Accountants.

(Firm's Registration No. 004835S)

S V Prakasha

Partner

(Membership No. 210411)

UDIN: 25210411BMIAJM2161

Bengaluru, 20th June 2025.

“Annexure B” to the Independent Auditors’ Report

(Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date)

- 1) According to the information and explanations provided to us:
 - a. A) The Company has maintained records showing full particulars including quantitate details and situation of Property, Plant and Equipment.
B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. All the Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them within a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us, there are no immovable properties and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
 - d. According to the information and explanations given to us, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i) (d) of the Order are not applicable to the Company.
 - e. According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1998 and rules thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the order are not applicable to the company.
- 2)
 - a. The Company does not have any inventory. Accordingly, clause 3(ii)(a) of the Order is not applicable.
 - b. The Company has not been sanctioned working capital limits in excess of 5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- 3) The Company has not provided any guarantee or security, and granted any advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Hence reporting under clause 3(iii)(a) ,(b),(c) ,(d), (e) and (f) of the Order is not applicable.
- 4) According to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not

applicable.

6) The maintenance of cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

7) In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have been regularly deposited as on March 31, 2025.

8) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

9) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

10) (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated paragraph 3 (X)(a) of the order are not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year hence the clause 3(x)(b) of the Order is not applicable

- 11) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As per the information given by the company, no whistle-blower complaints were received during the year by the company. Hence this clause 3(xi) (a), (b) and (c) are not applicable to the Company.
- 12) The Company is not a Nidhi Company, and hence the provisions of clause 3(xii) of the Order are not applicable to the Company.
- 13) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- 14) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934, and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.
- 17) The company has not incurred cash losses during the current financial year and has incurred a cash loss in the immediately preceding financial year.
- 18) There is no change in the office of the statutory auditor during the year and the disclosure under clause 3 (xviii) is not applicable to the Company and hence not commented upon.
- 19) As disclosed in Note1, the Company has decided to discontinue its operations and become dormant from FY 2025–26. In our opinion, this constitutes a material uncertainty. However, company has positive net-worth and has sufficient funds to meeting its liabilities even though the operations are being discontinued and this has been disclosed in note 13.3 Liquidity risk.

20) According to the information and explanation given to us and on the basis of our audit procedures, the Corporate Social Responsibility (CSR) contribution under section 135 of the act is not applicable to the company. Therefore, reporting under clause 3(xx)(a) and (b) of the order are not applicable to the company.

21) The Company does not have any subsidiaries, associates, or joint ventures, and hence is not required to prepare consolidated financial statements. Accordingly, clause 3(xxi) of the Order is not applicable.

For Balakrishna & Co.,

Chartered Accountants.

(Firm's Registration No. 004835S)

S V Prakasha

Partner

(Membership No. 210411)

UDIN: 25210411BMIAJM2161

Bengaluru, 20th June 2025.

“Annexure C” to the Independent 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 2024-25 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. | Yes - The Company uses tally ERP package 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. There are no implications on the integrity of the accounts or financial implications. |
| 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 loans. |
| | Whether such cases are properly accounted for? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of blender company). | NOT APPLICABLE as the Company has not taken any loans. |
| 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 were received or are receivable for specific schemes from Central/State Agencies by the Company. |

For Balakrishna & Co.,

Chartered Accountants.

(Firm’s Registration No. 004835S)

S V Prakasha

Partner

(Membership No. 210411)

UDIN: 25210411BMIAJM2161

Bengaluru, 20th June 2025.

C&AG COMMENTS ON STANDALONE FINANCIAL STATEMENTS

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NESL E-INFRASTRUCTURE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

The preparation of financial statements of NESL E-Infrastructure Limited for the year ended 31 March 2025 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20th June 2025.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of NESL E-Infrastructure Limited for the year ended 31 March 2025 under section 143(6)(a) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

Sd/-
(Vijay Nanalal Kothari)
Director General of Audit (Shipping), Mumbai

Place: Mumbai
Date: 26.08.2025

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Balance Sheet as at March 31, 2025

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

| Particulars | Note | As at March 31, 2025 | As at March 31, 2024 |
|---|------|-------------------------|-------------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 4 | 6 | 11 |
| Right of Use assets | 7 | - | - |
| Other intangible assets | 5 | - | 17 |
| Financial Assets | | | |
| Other financial assets | 8 | - | 8,621 |
| Deferred tax assets (net) | 20 | - | 346 |
| Total non-current assets | | 6 | 8,995 |
| Current assets | | | |
| Financial assets | | | |
| Trade receivables | 9 | 6,345 | 7,479 |
| Cash and cash equivalents | 10 | 3,980 | 3,172 |
| Bank balances other than cash and cash equivalents | 11 | 8,705 | 5,926 |
| Other financial assets | 8 | 165 | 320 |
| Current tax assets (net) | 20 | 3,110 | 3,016 |
| Other current assets | 12 | 5 | 60 |
| Total current assets | | 22,310 | 19,973 |
| Total assets | | 22,316 | 28,968 |
| Equity and Liabilities | | | |
| Equity | | | |
| Equity share capital | 14 | 10,000 | 10,000 |
| Other equity | 15 | 5,713 | 5,872 |
| Total equity | | 15,713 | 15,872 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Provisions | 16 | - | 498 |
| Total non-current liabilities | | - | 498 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Lease liabilities | 7 | - | - |
| Trade payables | | | |
| a) Total outstanding dues of micro and small enterprises | 17 | - | 1,250 |
| b) Total outstanding dues of creditors other than micro and small enterprises | 17 | 5,312 | 9,439 |
| Other financial liabilities | 18 | 969 | 977 |
| Other current liabilities | 19 | 192 | 906 |
| Provisions | 16 | 130 | 26 |
| Total current liabilities | | 6,603 | 12,598 |
| Total liabilities | | 6,603 | 13,096 |
| Total equity and liabilities | | 22,316 | 28,968 |

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

This is the Balance Sheet referred to in our report of even date.

For, Balakrishna & Co.
Chartered Accountants
Firm registration number: 004835S

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

Sd/-
Name of Partner: S.V. Prakasha
Partner
Membership No: 210411
Date: 20 June, 2025
Place: Bengaluru

Sd/-
Sowmyanarayan Sadagopan
Director
DIN: 00118285

Sd/-
Jyothish Jolisa
Director
DIN: 10682825

Date: 20 June, 2025
Place: Bengaluru

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Statement of Profit and Loss for the year ended March 31, 2025

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

| Particulars | Note | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|------|------------------------------|------------------------------|
| Revenue from operations | 21 | 6,507 | 7,187 |
| Other income | 22 | 916 | 1,048 |
| Total income | | 7,423 | 8,235 |
| Expenses: | | | |
| Cost of services | 23 | 3,046 | 3,645 |
| Employee benefit expenses | 27 | 2,262 | 3,027 |
| Finance costs | 24 | - | 4 |
| Depreciation, amortisation and impairment on intangible assets | 25 | 22 | 232 |
| Other expenses | 26 | 2,147 | 2,268 |
| Total expenses | | 7,477 | 9,176 |
| Profit/(Loss) before tax | | (54) | (941) |
| Tax expense | | | |
| Current tax | 20 | (14) | - |
| Adjustments of tax relating to previous year | 20 | - | - |
| Deferred tax | 20 | (279) | 247 |
| Total tax | | (293) | 247 |
| Loss for the year | | (347) | (694) |
| Other comprehensive income (OCI) | | | |
| Items that will not be reclassified to Profit or Loss in subsequent periods | | | |
| Re-measurements of defined benefit plan actuarial gains/ (losses) | | 255 | (31) |
| Income tax relating to these items | 20 | (67) | 8 |
| Total other comprehensive (loss) for the year, (net of tax) | | 188 | (23) |
| Total comprehensive (loss) for the year | | (159) | (717) |
| Earning per equity share of face value of Rs.10 each | | | |
| Basic (Amount in ₹ Per share) | 28 | (0.35) | (0.69) |
| Diluted (Amount in ₹ Per share) | 28 | (0.35) | (0.69) |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

This is the Statement of Profit and Loss referred to in our report of even date.

For, Balakrishna & Co.

Chartered Accountants

Firm registration number: 004835S

Sd/-

Name of Partner: S.V. Prakasha

Partner

Membership No: 210411

Date: 20 June, 2025

Place: Bengaluru

For and on behalf of Board of Directors of

NESL E-Infrastructure Limited

Sd/-

Sowmyanarayan Sadagopan

Director

DIN: 00118285

Date: 20 June, 2025

Place: Bengaluru

Sd/-

Jyothish Jolisa

Director

DIN: 10682825

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Statement of Changes in Equity for the year ended March 31, 2025

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

a) Equity share capital

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------|---------------|----------------------|---------------|
| | Nos. (000) | Amount | Nos. (000) | Amount |
| At the beginning of the year | 1,000 | 10,000 | 1,000 | 10,000 |
| Changes in equity share capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the year | 1,000 | 10,000 | 1,000 | 10,000 |
| Changes in equity share capital during the year | - | - | - | - |
| At the end of the year | 1,000 | 10,000 | 1,000 | 10,000 |

Refer note 14, for equity shareholders holding of 5% or more and promoter shareholding

b) Other equity

| Particulars | Retained earnings | Total |
|---|-------------------|--------------|
| Balance as at April 1, 2023 | 6,589 | 6,589 |
| Changes in accounting policy or prior period errors | - | - |
| Restated balance at the April 1, 2023 | 6,589 | 6,589 |
| Profit/(Loss) for the year | (694) | (694) |
| Other comprehensive income/(loss), net of tax | (23) | (23) |
| Balance as at March 31, 2024 | 5,872 | 5,872 |
| Balance as at April 1, 2024 | 5,872 | 5,872 |
| Changes in accounting policy or prior period errors | - | - |
| Restated balance at the April 1, 2024 | 5,872 | 5,872 |
| Profit/(Loss) for the year | (347) | (347) |
| Other comprehensive income/(loss), net of tax | 188 | 188 |
| Balance as at March 31, 2025 | 5,713 | 5,713 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

This is the Statement of Changes in Equity referred to in our report of even date.

For, Balakrishna & Co.
Chartered Accountants
Firm registration number: 004835S

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

Sd/-
Name of Partner: S.V. Prakasha
Partner
Membership No: 210411
Date: 20 June, 2025
Place: Bengaluru

Sd/-
Sowmyanarayan Sadagopan
Director
DIN: 00118285

Sd/-
Jyothish Jolisa
Director
DIN: 10682825

Date: 20 June, 2025
Place: Bengaluru

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Statement of Cash Flows for the year ended March 31, 2025

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

Accounting policy:

Cash flows are reported using the indirect method as set out in Ind AS 7, 'Statement of Cash Flows', whereby profit/ (loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be classified as cash equivalents.

| Particulars | Note | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|------|------------------------------|------------------------------|
| Cash Flow from Operating Activities | | | |
| Profit/ (Loss) for the year before tax | | (54) | (941) |
| Adjustments for | | | |
| Depreciation and amortisation expense | | 22 | 232 |
| Finance costs | | - | 4 |
| Interest on fixed deposits | | (715) | (950) |
| <i>Change in operating assets & liabilities</i> | | | |
| Increase/(decrease) in trade payables | | (5,377) | 3,354 |
| Other financial liabilities | | (8) | 12 |
| Increase/(decrease) in other liabilities | | (713) | 471 |
| Increase/(decrease) in provisions | | (139) | 131 |
| (Increase)/decrease in trade receivables | | 1,134 | (2,314) |
| (Increase)/decrease in other financial assets | | - | (45) |
| (Increase)/decrease in other assets | | 55 | 554 |
| Cash generated from operations | | (5,795) | 508 |
| Income Taxes (paid)/refund | | (108) | (1,437) |
| Net cash outflow from operating activities (A) | | (5,903) | (929) |
| Cash Flow from Investing Activities | | | |
| Interest received on fixed deposits | | 892 | 911 |
| Payments for investment in fixed deposits | | - | (329) |
| Proceeds from redemption/maturity of fixed deposits | | 5,819 | - |
| Net cash inflow from investing activities (B) | | 6,711 | 582 |
| Cash Flow from Financing Activities | | | |
| Payment of principal element of lease liabilities | | - | (414) |
| Payment of interest on lease liabilities | | - | (14) |
| Net cash outflow from financing activities (C) | | - | (428) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | | 808 | (775) |
| Cash and cash equivalent at the beginning of the financial year | | 3,172 | 3,947 |
| Cash and cash equivalent at the end of the year | | 3,980 | 3,172 |
| Components of cash and cash equivalents | | | |
| Balances with banks | | | |
| Current accounts | 10 | 3,103 | 435 |
| In deposit account with original maturity within 3 months from the date of | 10 | 872 | 2,736 |
| Income accrued but not due on deposits with original maturity within 3 months from the date of deposit | 10 | 5 | 1 |
| Total cash and cash equivalents | | 3,980 | 3,172 |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

This is the Statement of Cash Flows referred to in our report of even date.

For, Balakrishna & Co.

Chartered Accountants

Firm registration number: 004835S

For and on behalf of Board of Directors of

NESL E-Infrastructure Limited

Sd/-

Name of Partner: S.V. Prakasha

Partner

Membership No: 210411

Date: 20 June, 2025

Place: Bengaluru

Sd/-

Sowmyanarayan Sadagopan

Director

DIN: 00118285

Date: 20 June, 2025

Place: Bengaluru

Sd/-

Jyothish Jolisa

Director

DIN: 10682825

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

Overview

1 Company overview

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, 2025 were approved by the Board of Directors and authorized for issue on June 20, 2025.

Operational outlook

The Company has decided to discontinue its operations and will become a dormant entity from the financial year 2025–26. Accordingly, the financial statements have been prepared on a discontinued operations basis. As a result, the carrying value of intangible assets amounting to Rs. 8 thousand and advance recoverable amounting to Rs. 4 thousand has been written off. Property, Plant, and Equipment (PPE) have been measured at their realizable value. Deferred tax assets amounting to Rs. 345 thousand have been reversed. All other assets have been considered on a recoverable basis, and liabilities have been recorded at their book value in the financial statements.

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 March 31, 2025.

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. The material accounting policy information used in preparation of the financial statements have been discussed in the respective notes.

2 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.
- defined benefit plans- plans measured at fair value

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.

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

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:

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.

Assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

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. The rounded off amounts may not fully represent the underlying absolute amount to comply with the above rounding off requirement.

3 Critical accounting assumptions, estimates and judgments

In the application of the Company's accounting policies, which are described in this note, 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:

- Estimated useful life of intangible assets (refer note 5)
- Estimated useful life and residual value of property, plant and equipment (refer note 4)
- Assessment of Performance obligation in revenue recognition including timing of satisfaction of performance obligation, allocation of transaction price, presence of material right to purchase additional services, presence of significant financing component and amounts allocated to performance obligations. (refer note 21)
- Estimation of defined benefit obligation (refer note 27)
- Estimation of provisions. (refer note 16)
- Recognition of deferred taxes (refer note 20)
- Impairment of trade receivables (refer note 9)
- Estimated useful life and implicit interest rate/incremental borrowing rate used for recognizing Right of Use assets and lease liabilities respectively (Refer note 7)

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

4 Property, Plant and Equipment**Accounting policy:**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises of 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.

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 the 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 as follows:

| Category | Useful life (years) | Life as per Schedule II |
|---------------------------|---------------------|-------------------------|
| Computers and accessories | 3 | 3 |
| Server | 6 | 6 |

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.

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.

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2025 are as follows:

| Particulars | Computers | Total |
|---|------------|------------|
| Gross carrying amount as at April 1, 2024 | 161 | 161 |
| Additions | - | - |
| Disposal/adjustment | - | - |
| Gross carrying amount as at March 31, 2025 | 161 | 161 |
| Accumulated depreciation: | | |
| Balance as at April 1, 2024 | 150 | 150 |
| Depreciation | 5 | 5 |
| Accumulated depreciation on disposal/adjustment | - | - |
| Balance as at March 31, 2025 | 155 | 155 |
| Net carrying amount as at March 31, 2025* | 6 | 6 |

*Refer Note No.1

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

The changes in the carrying amount of property, plant and equipment for the year ended March 31, 2024 are as follows:

| Particulars | Computers | Total |
|---|------------------|--------------|
| Gross carrying amount as at April 1, 2023 | 161 | 161 |
| Additions | - | - |
| Disposal/adjustment | - | - |
| Gross carrying amount as at March 31, 2024 | 161 | 161 |
| Accumulated depreciation: | | |
| Balance as at April 1, 2023 | 107 | 107 |
| Depreciation | 43 | 43 |
| Accumulated depreciation on disposal/adjustment | - | - |
| Balance as at March 31, 2024 | 150 | 150 |
| Net carrying amount as at March 31, 2024 | 11 | 11 |

5 Intangible assets**Accounting policy:**

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

The changes in the carrying amount of intangible assets for the year ended March 31, 2025 are as follows:

| Particulars | Other software | Total |
|---|-----------------------|--------------|
| Gross carrying amount as at April 1, 2024 | 44 | 44 |
| Additions | - | - |
| Disposal/adjustment | - | - |
| Gross carrying amount as at March 31, 2025 | 44 | 44 |
| Accumulated amortisation: | | |
| Balance as at April 1, 2024 | 27 | 27 |
| Amortisation | 9 | 9 |
| Impairment on Intangible Assets | 8 | 8 |
| Accumulated amortisation on disposal/adjustment | - | - |
| Balance as at March 31, 2025 | 44 | 44 |
| Net carrying amount as at March 31, 2025* | - | - |

*Refer Note No.1

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

The changes in the carrying amount of intangible assets for the year ended March 31, 2024 are as follows:

| Particulars | Other software | Total |
|---|-----------------------|--------------|
| Gross carrying amount as at April 1, 2023 | 44 | 44 |
| Additions | - | - |
| Disposal/adjustment | - | - |
| Gross carrying amount as at March 31, 2024 | 44 | 44 |
| Accumulated amortisation: | | |
| Balance as at April 1, 2023 | 18 | 18 |
| Amortisation | 9 | 9 |
| Accumulated amortisation on disposal/adjustment | - | - |
| Balance as at March 31, 2024 | 27 | 27 |
| Net carrying amount as at March 31, 2024 | 17 | 17 |

6 Impairment of non-financial assets**Accounting policy:**

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.

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.

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

7 Leases**Accounting policy:**

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 benefits 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 (RoU)' 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 on lease liability is recorded under other finance costs.

Lease modification(s) are evaluated to ascertain, whether the modification is a separate lease. The amount of the re-measurement of lease liability due to modification is recognised as an adjustment to the 'Right of Use' assets and Statement of Profit and Loss, depending on the nature of modification.

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.

Right of Use assets

The changes in the carrying amount of Right of Use assets for the year ended March 31, 2025 are as follows :

| Particulars | Category of RoU | Total |
|---|---------------------------|-------|
| | assets | |
| | Servers/ virtual machines | |
| Gross carrying amount as at April 1, 2024 | - | - |
| Additions | - | - |
| Disposal/adjustment | - | - |
| Gross carrying amount as at March 31, 2025 | - | - |
| Accumulated depreciation: | | |
| Balance as at April 1, 2024 | - | - |
| Depreciation | - | - |
| Accumulated depreciation on disposal/adjustment | - | - |
| Balance as at March 31, 2025 | - | - |
| Net Carrying amount as at March 31, 2025 | - | - |

The changes in the carrying amount of Right of Use assets for the year ended March 31, 2024 are as follows :

| Particulars | Category of RoU | Total |
|---|---------------------------|-------|
| | assets | |
| | Servers/ virtual machines | |
| Gross carrying amount as at April 1, 2023 | 1,411 | 1,411 |
| Additions | - | - |
| Disposal/adjustment | - | - |
| Gross carrying amount as at March 31, 2024 | 1,411 | 1,411 |
| Accumulated depreciation: | | |
| Balance as at April 1, 2023 | 1,231 | 1,231 |
| Depreciation | 180 | 180 |
| Accumulated depreciation on disposal/adjustment | - | - |
| Balance as at March 31, 2024 | 1,411 | 1,411 |
| Net Carrying amount as at March 31, 2024 | - | - |

The aggregate depreciation expense on RoU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

Lease liabilities

The break-up of current and non-current lease liabilities as at March 31, 2025 and March 31, 2024 is as follows :

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--------------------------------|---------------------------------|---------------------------------|
| Current lease liabilities | - | - |
| Total lease liabilities | - | - |

The movement in lease liabilities during the years ended March 31, 2025 and March 31, 2024 is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|---------------------------------|---------------------------------|
| Balance at the beginning | - | 424 |
| Additions | - | - |
| Finance cost accrued during the period | - | 4 |
| Payment of lease liabilities | - | (428) |
| Balance at the end | - | - |

Maturity analysis of lease liability as at March 31, 2025 and March 31, 2024 is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---------------------------------|---------------------------------|
| Future lease payments (undiscounted) | | |
| 2023-24 | - | - |
| Total future lease payments (undiscounted) | - | - |
| Total future finance costs | - | - |
| Lease liability | - | - |
| Current lease liabilities | - | - |

Expenses relating to short term leases or low value leases as at March 31, 2025 and March 31, 2024 is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|---------------------------------|---------------------------------|
| Expenses relating to short term leases | 523 | 272 |
| Expenses relating to leases of low-value | - | - |
| Total | 523 | 272 |

Note: During the year ended March 31, 2024, the original lease term of servers on lease has ended. The arrangement has been continuously extended for a term less than 12 months for the year ended March 31, 2024 and March 31, 2025. The expenses relating to the servers has been accounted as a short-term lease.

Net debt reconciliation of the Company as at March 31, 2025 and March 31, 2024 is as below:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---------------------------|---------------------------------|---------------------------------|
| Cash and cash equivalents | 3,980 | 3,172 |
| Lease liabilities | - | - |
| Net debt | 3,980 | 3,172 |

| Particulars | Other assets | Liabilities from financing | Total |
|--------------------------------------|--------------------------------------|---------------------------------------|--------------|
| | Cash and cash equivalents | Lease liabilities | |
| Net debt as at April 1, 2024 | 3,172 | - | 3,172 |
| Cash flows | 808 | - | 808 |
| Additions to lease liability | - | - | - |
| Interest expense | - | - | - |
| Interest paid | - | - | - |
| Net debt as at March 31, 2025 | 3,980 | - | 3,980 |

| Particulars | Other assets | Liabilities from financing activities | Total |
|--------------------------------------|--------------------------------------|--|--------------|
| | Cash and cash equivalents | Lease liabilities | |
| Net debt as at April 1, 2023 | 3,947 | (424) | 3,523 |
| Cash flows | (775) | 414 | (361) |
| Interest expense | - | (4) | (4) |
| Interest paid | - | 14 | 14 |
| Net debt as at March 31, 2024 | 3,172 | - | 3,172 |

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

8 Other financial assets:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Other non-current financial assets | | |
| Security deposits | - | 21 |
| Bank deposits with maturity more than 12 months from balance sheet date | - | 8,600 |
| Total non-current other financial assets | - | 8,621 |
| Current other financial assets | | |
| Recoverable from related parties: | | |
| Recoverable from NESL Asset Data Ltd. | 44 | 44 |
| Security deposits | 121 | 100 |
| Income accrued but not due on deposits with maturity more than 12 months from balance sheet date | - | 176 |
| Total current other financial assets | 165 | 320 |
| Total other financial assets: | 165 | 8,941 |

Note:

1. Security deposits received are initially recognised at fair value under effective interest rate method using discount rate prevalent for FDs of similar term at the time of origination of such deposits and subsequently at amortized cost.

9 Trade receivables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | | |
| Receivable from related parties | 5,368 | 5,498 |
| Receivable from others | 979 | 2,034 |
| Trade Receivables - credit impaired | 236 | - |
| Sub-total | 6,583 | 7,532 |
| Impairment allowance | | |
| Trade Receivables considered good - Secured | - | - |
| Trade Receivables considered good - Unsecured | 2 | 53 |
| Trade Receivables - credit impaired | 236 | - |
| Sub-total | 238 | 53 |
| Total trade receivables | 6,345 | 7,479 |

Ageing of Trade receivables outstanding as on March 31, 2025

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|--------------|-----------------------|----------------------|------------|----------|----------------------|--------------|
| | Unbilled | Not due | Less than 6 months | 6 months - 1 year | 1-2years | 2-3years | More than 3 years | |
| Undisputed Trade receivables - considered good | 20 | 5,760 | 567 | - | - | - | - | 6,347 |
| Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - credit impaired | - | - | - | - | 236 | - | - | 236 |
| Sub- total | 20 | 5,760 | 567 | - | 236 | - | - | 6,583 |
| Less: Allowance for credit loss | | | | | | | | |
| Undisputed Trade receivables - considered good | - | 2 | - | - | - | - | - | 2 |
| Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - credit impaired | - | - | - | - | 236 | - | - | 236 |
| Total Allowance for credit loss | - | 2 | - | - | 236 | - | - | 238 |
| Total trade receivables | 20 | 5,758 | 567 | - | - | - | - | 6,345 |

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

Ageing of Trade receivables outstanding as on March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | | | Total |
|--|--|--------------|--------------------|-------------------|----------|-----------|-------------------|--------------|
| | Unbilled | Not due | Less than 6 months | 6 months - 1 year | 1-2years | 2-3years | More than 3 years | |
| Undisputed Trade receivables - considered good | 553 | 6,290 | 638 | - | - | 42 | 9 | 7,532 |
| Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| Sub- total | 553 | 6,290 | 638 | - | - | 42 | 9 | 7,532 |
| Less: Allowance for credit loss | | | | | | | | |
| Undisputed Trade receivables - considered good | - | 1 | 1 | - | - | 42 | 9 | 53 |
| Undisputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - considered good | - | - | - | - | - | - | - | - |
| Disputed Trade Receivables - credit impaired | - | - | - | - | - | - | - | - |
| Total Allowance for credit loss | - | 1 | 1 | - | - | 42 | 9 | 53 |
| Total trade receivables | 553 | 6,289 | 637 | - | - | - | - | 7,479 |

10 Cash and cash equivalents

Accounting policy:

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.

The position of cash and cash equivalents are as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| Balance with banks | | |
| In current accounts | 3,103 | 435 |
| In deposit account with original maturity within 3 months from the date of deposit | 872 | 2,736 |
| Income accrued but not due on deposits with original maturity within 3 months from the date of deposit | 5 | 1 |
| Total cash and cash equivalents | 3,980 | 3,172 |

11 Bank balances other than cash and cash equivalents

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| In deposit account with maturity within 12 months of balance sheet date | 8,600 | 5,820 |
| Income accrued but not due on deposits with maturity within 12 months of balance sheet date | 105 | 106 |
| Total bank balances other than cash & cash equivalents | 8,705 | 5,926 |

Note:

1. 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 "Bank balances other than cash and cash equivalents".

12 Other assets:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|-----------------------------------|----------------------|----------------------|
| Other current assets | | |
| Prepaid expenses | 5 | 56 |
| Other advances | - | 4 |
| Total other current assets | 5 | 60 |
| Total other assets | 5 | 60 |

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

13 Financial instruments

Accounting policy:

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.

Financial assets

Initial recognition and measurement

All financial assets, other than financial assets fair valued through Statement of Profit and Loss, are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs that are attributable to the acquisition of the financial asset fair valued through Statement of Profit and Loss are expensed as incurred. However, trade receivables that do not contain a significant financing component are measured at transaction price.

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. Any financial asset, 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.

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

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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. 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. 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 Statement of Profit and Loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through Statement of Profit and Loss. Gains or losses on liabilities held for trading are recognized in the Statement of 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 Statement of 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 deducting all of its liabilities. Equity instruments recognized by the Company are recognized at the proceeds received net of 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.

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13.1 Fair value measurements

The carrying value and fair value of financial instruments by categories as at the year ended March 31, 2025 and March 31, 2024 are as follows.

| Particulars | Note | Carrying | Fair value | Carrying value | Fair value |
|--|------|---------------|---------------|-----------------|---------------|
| | | value | | | |
| | | As at March | As at March | As at March 31, | As at March |
| | | 31, 2025 | 31, 2025 | 2024 | 31, 2024 |
| Financial assets | | | | | |
| Amortised cost | | | | | |
| Trade receivables | 9 | 6,345 | 6,345 | 7,479 | 7,479 |
| Cash and cash equivalents | 10 | 3,980 | 3,980 | 3,172 | 3,172 |
| Bank balances other than cash and cash equivalents | 11 | 8,705 | 8,705 | 5,926 | 5,926 |
| Other financial assets | 8 | 165 | 165 | 8,941 | 8,941 |
| Total financial assets | | 19,195 | 19,195 | 25,518 | 25,518 |
| Financial liabilities | | | | | |
| Amortised cost | | | | | |
| Lease liability | 7 | - | - | - | - |
| Trade payables | 17 | 5,312 | 5,312 | 10,689 | 10,689 |
| Other financial liabilities | 18 | 969 | 969 | 977 | 977 |
| Total financial liabilities | | 6,281 | 6,281 | 11,666 | 11,666 |

13.2 Fair value hierarchy

This explains the judgments 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 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:

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

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2025

| Particulars | Fair value measurement using | | | |
|--|------------------------------|---------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets measured at fair value: | | | | |
| -None- | - | - | - | - |
| Liabilities measured at fair value: | | | | |
| -None- | - | - | - | - |

Financial assets and liability measured at fair value - recurring fair value measurement as at the year ended March 31, 2024

| Particulars | Fair value measurement using | | | |
|--|------------------------------|---------|---------|---------|
| | Total | Level 1 | Level 2 | Level 3 |
| Assets measured at fair value: | | | | |
| -None- | - | - | - | - |
| Liabilities measured at fair value: | | | | |
| -None- | - | - | - | - |

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13.3 Financial risk management:**Financial risk factors**

The Company's activities expose it to a variety of financial risks: Market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company has only domestic operations and has no foreign currency exposure. Accordingly no market risk is perceived.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables other than from related parties amounting to Rs. 1,195 thousand and Rs. 2,034 thousand as at March 31, 2025 and March 31, 2024, respectively. Trade receivables are generally unsecured and derived from customers who are major public and private sector banks and large NBFC's. Since, the major customers are large institutions with very good credit ratings the credit risk to the company is negligible. The Company uses the expected credit loss model to assess any required allowances; and uses a provision matrix to compute the expected credit loss allowance for trade receivables.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers.

The details in respect of revenue from top five customers other than related parties are as follows:

| Particulars | Billing in Rs. Thousand | | % of total billing | |
|-------------|---------------------------------|----------------------|----------------------|----------------------|
| | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2025 | As at March 31, 2024 |
| | Billing from top five customers | 4,098 | 4,296 | 100% |

The allowance for lifetime expected credit loss on customer balances recognized as at the year ended March 31, 2025 and March 31, 2024 is Rs 238 thousand and 53 Thousand respectively.

The movement in credit loss allowance on customer balance is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| Balance at the beginning | 53 | - |
| Impairment loss recognized /(reversed), net | 185 | 53 |
| Balance at the end | 238 | 53 |

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no borrowings. The Company believes that the working capital is sufficient to meet its current requirements.

As at March 31, 2025, the Company had a working capital of Rs. 15,707 thousand, cash and cash equivalents of Rs. 3,980 thousand and current bank deposits of 8,705. As at March 31, 2024, the Company had a working capital of Rs. 7,375 thousand, cash and cash equivalents of Rs. 3,172 thousand and current bank deposits of Rs. 5,926 thousand.. Accordingly no liquidity risk is perceived.

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2025:

| Particulars | Less than 1 year | Total |
|---|------------------|-------|
| Trade payables | 5,312 | 5,312 |
| Other financial liabilities | 969 | 969 |
| Lease liabilities on an undiscounted basis (refer note 7) | - | - |

The table below provides details regarding the contractual maturities of financial liabilities as at March 31, 2024:

| Particulars | Less than 1 year | Total |
|---|------------------|--------|
| Trade payables | 10,689 | 10,689 |
| Other financial liabilities | 977 | 977 |
| Lease liabilities on an undiscounted basis (refer note 7) | - | - |

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14 Equity share capital

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Authorised share capital | | |
| 10,00,000 (previous period: 10,00,000) number of equity shares of Rs. 10/- each. | 10,000 | 10,000 |
| | 10,000 | 10,000 |
| Issued, subscribed and fully paid-up share capital | | |
| 10,00,000 (previous period: 10,00,000) number of equity shares of Rs. 10/- each. | 10,000 | 10,000 |
| | 10,000 | 10,000 |

Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------------|---------------|----------------------------|---------------|
| | 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 | - | - | - | - |
| Shares outstanding at the end of the year | 1,000 | 10,000 | 1,000 | 10,000 |

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 | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------------|--------------------|----------------------------|-----------------------|
| | Number of shares (,000) | Percentage holding | Number of shares (,000) | Percentage holding |
| National E-Governance Services Limited, together with its nominee | 1,000 | 100% | 1,000 | 100% |

Particulars of shares held by promoter

| Particulars | As at March 31, 2025 | | As at March 31, 2024 | |
|--|----------------------------|-----------------|----------------------------|-----------------|
| | Number of shares (,000) | Paid up capital | Number of shares (,000) | Paid up capital |
| 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, 2025. 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, 2025

No dividends have been declared by the Company during the year and period from the date of inception to March 31, 2025.

Equity

15 Other equity

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Retained earnings: | | |
| Opening balance | 5,872 | 6,589 |
| Add: Profit/(Loss) for the period | (347) | (694) |
| Add: Other comprehensive income not reclassifiable to profit and loss | | |
| Re-measurements of defined benefit plan actuarial gains/ (losses), net of taxes | 188 | (23) |
| Total other equity | 5,713 | 5,872 |

Note: Retained earnings represents the accumulated undistributed earnings of the Company as at balance sheet date.

16 Provisions

Accounting policy:

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.

Onerous contracts are accounted as per IndAS 37. Such contract entail a provision of present value of obligations net of any economic benefits under such contract. Obligations under such contract is lower of penalties/compensation under contract for exit or incremental cost of fulfilling such contracts, Onerous contract are assessed at the contract level. Any asset supporting such onerous contract is impaired based on assessment of cash flow. The provision for onerous contract is assessed each for reversals, re-adjust the provisions for any change in circumstances and passage of time. The interest expense relating to unwinding of discount with passage of time on such provision is disclosed as finance costs. Any reversal which represents other than ordinary use/application of the provision, like closure of the onerous contract, is recognized separately in the Statement of Profit and Loss at gross and not netted off against the ordinary expenses under such onerous contract.

Provision for employee benefit obligations and expenses is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Non-current provisions: | | |
| Employee benefit obligations: | | |
| Provision for gratuity | - | 255 |
| Provision for leave encashment and compensated absences | - | 243 |
| Total non-current provisions | - | 498 |
| Current provisions: | | |
| Employee benefit obligations: | | |
| Provision for gratuity | - | 1 |
| Provision for leave encashment and compensated absences | 130 | 25 |
| Total current provisions | 130 | 26 |
| Total provisions | 130 | 524 |

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

17 Trade payables

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Total outstanding dues of micro enterprises and small enterprises | - | 1,250 |
| Total outstanding dues of creditors other than micro and small enterprises | | |
| Related parties | - | - |
| Others: | | |
| Creditors for supplies & services | 5,312 | 9,439 |
| Total trade payables | 5,312 | 10,689 |

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information available with the Company.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Amount remaining unpaid | | |
| Principal amount due to micro and small enterprises | - | 1,250 |
| Interest due on above | - | - |
| Total amount remaining unpaid | - | 1,250 |
| Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006; | - | - |
| Interest accrued and remaining unpaid at the end of the year | - | - |
| Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006 | - | - |

Trade payables ageing outstanding as at March 31, 2025

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|--------------|---------------------|--------------|----------|----------------------|--------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3years | More than 3 years | |
| <i>Undisputed</i> | | | | | | | |
| (i) MSME | - | - | - | - | - | - | - |
| (ii) Others | 1,549 | 3,637 | 126 | - | - | - | 5,312 |
| <i>Disputed</i> | | | | | | | |
| (iii) MSME | - | - | - | - | - | - | - |
| (iv) Others | - | - | - | - | - | - | - |
| Total Trade payables | 1,549 | 3,637 | 126 | - | - | - | 5,312 |

Trade payables ageing outstanding as at March 31, 2024

| Particulars | Outstanding for following periods from due date of payment | | | | | | Total |
|-----------------------------|--|--------------|---------------------|--------------|----------|----------------------|---------------|
| | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3years | More than 3 years | |
| <i>Undisputed</i> | | | | | | | |
| (i) MSME | 1,120 | 130 | - | - | - | - | 1,250 |
| (ii) Others | 2,292 | 1,733 | 5,414 | - | - | - | 9,439 |
| <i>Disputed</i> | | | | | | | |
| (iii) MSME | - | - | - | - | - | - | - |
| (iv) Others | - | - | - | - | - | - | - |
| Total Trade payables | 3,412 | 1,863 | 5,414 | - | - | - | 10,689 |

18 Other financial liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Current other financial liabilities: | | |
| Security deposits received | 905 | 905 |
| Auditor's remuneration payable | 45 | 45 |
| Reimbursements payable | 19 | 27 |
| Total current other financial liabilities | 969 | 977 |
| Total other financial liabilities | 969 | 977 |

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

19 Other liabilities

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Other current liabilities: | | |
| Statutory liabilities | 192 | 906 |
| Total other current liabilities | 192 | 906 |
| Total other liabilities | 192 | 906 |

20 Income taxes

Accounting policy:

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).

Income tax expense in the Statement of Profit and Loss is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Current taxes | (14) | - |
| Adjustments of tax relating to previous year | - | - |
| Deferred taxes recognised in profit and loss | (279) | 247 |
| Income tax expense/ (income) | (293) | 247 |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|--|-------------------------|-------------------------|
| Profit/(loss) before income taxes | (54) | (941) |
| Enacted tax rate | 26% | 26% |
| Computed expected tax expense | (14) | (245) |
| Deferred tax reversed | (279) | - |
| Effect of non-deductible expenses | - | (2) |
| Income tax expense/ (income) | (293) | (247) |

The details of income tax assets and income tax liabilities as at March 31, 2025 and March 31, 2024 are as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Current tax assets (net) | 3,110 | 3,016 |
| Net current income tax assets / (liabilities) at the end | 3,110 | 3,016 |

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

The gross movement in the current income tax assets / (liabilities) for the years ended March 31, 2025 and March 31, 2024 is as follows:

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| Net current income tax assets / (liabilities) at the beginning | 3,016 | 1,579 |
| Income tax paid | 108 | 1,437 |
| Current income tax expense | (14) | - |
| Net current income tax assets / (liabilities) at the end | 3,110 | 3,016 |

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2025 is as follows:

| Particulars | Carrying value as at March 31, 2024 | 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 | Carrying value as at March 31, 2025 |
|--|--|--|--|---|---|
| Deferred income tax assets / (liabilities): | | | | | |
| Property, plant and equipment | 3 | (3) | - | - | - |
| Provision for gratuity | 67 | - | (67) | - | - |
| Provision for leave encashment and compensated absences | 69 | (69) | - | - | - |
| Trade receivables - loss allowance | 14 | (14) | - | - | - |
| Deferred tax asset on carry forward income tax losses | 193 | (193) | - | - | - |
| Total deferred income tax assets / (liabilities)* | 346 | (279) | (67) | - | - |

*As disclosed in note 1 due to discontinuation of operations from FY 2025-26 onwards, taxable profits will no longer be sufficient to offset the deferred tax. Accordingly, the deferred tax has been reversed during the year.

The movement in gross deferred income tax assets and liabilities for the year ended March 31, 2024 is as follows:

| Particulars | Carrying value as at March 31, 2023 | 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 | Carrying value as at March 31, 2024 |
|--|--|--|--|---|---|
| Deferred income tax assets / (liabilities): | | | | | |
| Property, plant and equipment | (4) | 7 | - | - | 3 |
| Provision for gratuity | 36 | 23 | 8 | - | 67 |
| Provision for leave encashment and compensated absences | 58 | 11 | - | - | 69 |
| Trade receivables - loss allowance | - | 14 | - | - | 14 |
| Deferred tax asset on carry forward income tax losses | - | 193 | - | - | 193 |
| Total deferred income tax assets / (liabilities) | 90 | 247 | 8 | - | 346 |

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

21 Revenue from operations

Accounting policy:

Revenue recognition

Under IndAS 115, the Company applies a five step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognise revenues based on the fulfilment of performance obligation.

Contract with customer would mean (1) signed contract if available or price based on- arrangement, business practice and standard operating procedures. The price could be specific negotiated price (like for PDA services, storage, bidding services) and (2) the tariff schedule as applicable for each financial year These are interpreted collectively to ascertain scope including performance obligation and pricing for each financial year.

The Company based on evidence evaluates, at the start of each financial year, as to whether a service is perceived as a distinct benefit by the customer and is a separate performance obligation, or the service is perceived to be bundled along with other service as a bundle of performance obligation, or a service is mere perfunctory or incidental in nature not constituting a performance obligation. While assessing whether a service is a separate performance obligation, the Company for each review period assesses whether service, in a bundled offering, is highly dependent, highly interrelated with other service in the bundle including if the customer has an option to not purchase the service without significantly affecting the other promised goods. Such an assessment would include whether one of such services in the bundle is independently priced in the tariff, as published and available in the Company website, leading to an indicator that the service could be a performance obligation in itself as per Ind AS115. Such an assessment is carried out periodically starting with the beginning of each financial year.

Revenue is measured at transaction price which is the consideration, received or receivable net of discounts, taking into account contractually defined terms and excluding taxes, duties collected on behalf of the government. Revenue is recognized as and when the control of promised product or services are transferred to the customer. If there is uncertainty as to collectability, then revenue recognition is postponed until such uncertainty is resolved.

The transaction price is determined for each performance obligation identified excluding amounts collected on behalf of third parties net of discounts. The Company is a utility in the nature of IU which charges transaction price at the published tariff rate from time to time. The Company allocates the transaction price for services under the contract to each separately identifiable performance obligations/ bundle of performance obligation based on standalone selling price using the three approaches, as applicable, under IndAS 115. Standalone selling prices are determined based on transaction prices for the components when it is regularly sold separately, in cases where the Company is unable to determine the standalone selling price the Company uses third-party prices for similar deliverables. Under IndAS 115, the Company may use (1) adjusted market assessment approach, (2) expected cost plus a margin approach, (3) residual method or a combination of these methods to arrive at allocable transaction price for each performance obligation or bundle of performance obligations identified. Discount provided to one of the distinct performance obligation in the service offering is allocated or averaged across all the performance obligations in the contract/ arrangement unless such a discount is offered at a standalone price of a performance obligation.

The Company exercises judgement in determining whether the performance obligation, evidencing the transfer of control, is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such product or service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer.

For performance obligations where control is transferred over time, revenues are recognized by measuring progress towards completion of the performance obligation. Where the services under performance obligation is made available on when and if available basis for a tenure, the customer benefits accrue evenly during the contract and the revenue is recognized for such performance obligation on a straight line attribution method over such tenure. The selection of the method to measure progress towards completion requires judgment and is based on the whether the nature of the promised products or services to be provided at a point in time or is provided or made available for a specific period. Incase of bundled service obligations which are not separable, a single measurement method is adopted.

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

Income from operational activities

For OKYC services, revenue on installation (of the software), as outlined in the customer contract or order or arrangement, 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.

Revenue from KYC services (like OKYC, CKYC) is recognized on net basis based on criteria outlined under IndAS 115. If a revenue recognition event meets criteria for net basis accounting the related costs like revenue share is netted off against such revenue recognized instead of showing such related costs separately as an expense.

Revenue from e-sign services is recognised at the point in time when the services are provided. Revenue from e-sign services is recognised on net basis, based on criteria outlined under IndAS 115. The related cost is netted off against the revenue, instead of showing the related cost separately as an expense.

Unbilled revenue and deferred revenue represent contract assets and contract liabilities respectively under IndAS 115.

Unbilled revenue forms a part of trade receivables and is disclosed under note 9 - Trade receivables.

Revenue from operations for the year ended March 31, 2025 and March 31, 2024 is as follows:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Revenue from contract with customers | | |
| Central Know Your Customer Services income | 1,828 | 827 |
| Offline Know Your Customer services income: | | |
| One Time Installation Setup/customisation Fee | 1,525 | 3,031 |
| OKYC services | 54 | 484 |
| Revenue from e-sign services | 3,100 | 2,845 |
| Total revenue from operations | 6,507 | 7,187 |

Reconciliation of contract price to revenue recognised for year ended March 31, 2025 and March 31, 2024 is as below:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Total contract price from contract with customers* | 7,040 | 6,991 |
| (+) Opening deferred revenue | - | - |
| (-) Opening unbilled revenue | (553) | (357) |
| (+) Closing unbilled revenue | 20 | 553 |
| Revenue recognised for the period | 6,507 | 7,187 |

* Total contract price from contract with customers represents billing net of revenue share payable to the technology vendor.

22 Other income

Accounting policy:

Other income is comprised primarily of interest income. Interest income is recognized using the effective interest rate method.

Other income for the year ended March 31, 2025 and March 31, 2024 is as follows:

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Interest on fixed deposits | 715 | 950 |
| Interest on IT Refund | 121 | 92 |
| Reversal of provision for leave encashment and compensated leave benefits | 79 | - |
| Miscellaneous income | 1 | 6 |
| Total other income | 916 | 1,048 |

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23 Cost of services

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Offsite data entry & cropping work | 41 | 26 |
| IT Consulting Expenses | 1,458 | 1,895 |
| Virtual machine infrastructure service | 523 | 621 |
| Other IT expenses | 87 | 225 |
| Other operating expenses | 937 | 878 |
| Total cost of services | 3,046 | 3,645 |

24 Finance costs

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Interest expense on lease liabilities | - | 4 |
| Total finance costs | - | 4 |

25 Depreciation

| Particulars | Note | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|-------------|--------------------------------------|--------------------------------------|
| Depreciation on plant, property and equipment | 4 | 5 | 43 |
| Amortisation on intangible assets | 5 | 9 | 9 |
| Depreciation on right of use assets | 7 | - | 180 |
| Impairment for intangible Assets | 5 | 8 | - |
| Total depreciation | | 22 | 232 |

26 Other Expenses

| Particulars | Year ended March 31, 2025 | Year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Auditors remuneration | | |
| - Statutory audit | 50 | 50 |
| - Out of pocket expenses | 3 | 1 |
| Professional fees | 1,463 | 1,817 |
| Directors' sitting fee | 275 | 150 |
| Rates & taxes | 5 | 76 |
| Impairment loss recognized under expected credit loss model | 237 | 53 |
| Other expenses* | 114 | 121 |
| Total other expenses | 2,147 | 2,268 |

* This includes advance recoverable written off amounting to Rs. 4 thousand for the year ended March 31, 2025.

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

27 Employee benefit expenses**Accounting policy:***Retirement and other employee benefits*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. 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.

Employee benefit expenses for the year ended March 31, 2025 and March, 2024 is as below:

| Particulars | Year ended March | Year ended |
|---|------------------|----------------|
| | 31, 2025 | March 31, 2024 |
| Salary & allowances | 2,166 | 2,728 |
| Gratuity expense | - | 87 |
| Leave encashment and compensated leave benefits | - | 128 |
| Staff welfare expenses | 96 | 84 |
| Total employee benefit expenses | 2,262 | 3,027 |

27.1 Gratuity plan

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees of the Company. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

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

| Amount recognised in the Balance Sheet at year end | As at March 31, | As at March 31, in |
|--|------------------------|------------------------|
| | 2025 | 2024 |
| Present value of unfunded defined benefit obligation | - | 255 |
| Net defined benefit (asset)/liability recognised in Balance Sheet | - | 255 |
| Net defined benefit cost/(income) included in Statement of Profit & Loss for the year end | As at March 31, | As at March 31, |
| | 2025 | 2024 |
| Service cost | - | 74 |
| Net interest cost | - | 13 |
| Total defined benefit cost/(income) included in Profit & Loss | - | 87 |

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

| Current / non-current bifurcation | As at March 31, 2025 | As at March 31, 2024 |
|---|---------------------------------|---------------------------------|
| Current benefit obligation | - | 1 |
| Non-current benefit obligation | - | 255 |
| (Asset)/liability recognised in the Balance Sheet | - | 256 |
| Analysis of amounts recognised in Other Comprehensive (Income)/Loss at the year end | As at March 31, 2025 | As at March 31, 2024 |
| Amount recognized in OCI, beginning of the year | 58 | 27 |
| Remeasurements due to : | | |
| Effect of change in financial assumptions | - | 5 |
| Effect of experience adjustments | - | 26 |
| (Gain)/Loss on Curtailments/Settlements | (256) | - |
| Total remeasurements recognised in OCI | (256) | 31 |
| Amount recognised in OCI at the year end | (198) | 58 |
| Total defined benefit cost/(income) included in Profit & Loss and Other Comprehensive Income | As at March 31, 2025 | As at March 31, 2024 |
| Amount recognized in P&L, end of year | - | 87 |
| Amount recognized in OCI, end of year | (256) | 31 |
| Total net defined benefit cost/(income) recognized at year end | (256) | 118 |
| Change in Defined Benefit Obligation during the year | As at March 31, 2025 | As at March 31, 2024 |
| Defined benefit obligation, beginning of the year | 256 | 138 |
| Net current service cost | - | 74 |
| Interest cost on DBO | - | 13 |
| Actuarial (gains)/losses | (256) | 31 |
| Defined benefit obligation at the year end | - | 256 |
| Reconciliation of Balance Sheet amount | As at March 31, 2025 | As at March 31, 2024 |
| Balance Sheet (asset)/liability, beginning of the year | 256 | 138 |
| Total charge/(credit) recognised in Profit and Loss | - | 87 |
| Total remeasurements recognised in OC (income)/loss | (256) | 31 |
| Balance Sheet (asset)/liability at the year end | - | 256 |
| Financial assumptions used to determine the defined benefit obligation | As at March 31, 2025 | As at March 31, 2024 |
| Discount rate | NA | 7.09% |
| Salary escalation rate | NA | 12.00% |
| Financial assumptions used to determine the profit & loss charge | As at March 31, 2025 | As at March 31, 2024 |
| Discount rate | NA | 7.09% |
| Salary escalation rate | NA | 12.00% |
| Expected return on plan assets | NA | N.A. |
| Demographic assumptions used to determine the defined benefit obligation | As at March 31, 2025 | As at March 31, 2024 |
| Withdrawal rate | NA | 10.00% |
| Mortality rate | NA | IALM (2012-14) Ult |
| Retirement age | NA | 60 years |

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27.2 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'.

| Amounts in Balance Sheet at the year end | As at March 31, 2025 | As at March 31, 2024 |
|---|---------------------------------|---------------------------------|
| Present value of unfunded defined benefit obligation | 130 | 268 |
| (Asset)/liability recognised in the Balance Sheet | 130 | 268 |
| Amounts recognised in Statement of Profit & Loss for the year end | As at March 31, 2025 | As at March 31, 2024 |
| Service cost | - | 66 |
| Net Interest cost | - | 18 |
| Remeasurements | - | 45 |
| Total expense/(income) included in "Employee benefit expenses" | - | 129 |
| Note : The actuarial gains & losses are recognised, immediately, through profit & loss account. | | |
| Change in defined benefit obligation at the year end | As at March 31, 2025 | As at March 31, 2024 |
| Defined benefit obligation, beginning of the year | 268 | 223 |
| Net current service cost | - | 66 |
| Interest cost on DBO | - | 18 |
| Actuarial (gains)/losses | (79) | 45 |
| Benefits paid | (59) | (84) |
| Defined benefit obligation at the year end | 130 | 268 |

28 Earning per share**Accounting policy:**

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.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|---------------------------------|---------------------------------|
| Profit/(loss) attributable to equity shareholders of the company | (347) | (694) |
| Number of shares outstanding as on the balance sheet date (units in thousands) | 1,000 | 1,000 |
| Weighted average number of shares purpose of EPS basic and diluted (units in thousands) | 1,000 | 1,000 |
| Earnings per share basic and diluted (in ₹ per share) | (0.35) | (0.69) |

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Notes to the Ind AS financial statements for the year ended March 31, 2025

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

29 Functional currency:**Accounting policy:**

The functional currency for the Company is INR and the standalone Ind AS financial statements are presented in INR thousands. 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.

30 Capital management

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

The Company manages its funds in a manner that it achieves maximum returns (net of taxes) with minimum risk to the capital and it considers the liquidity concerns for its working capital requirements.

To meet the above objectives, the Company invests its funds in bank fixed deposits receipts (FDRs) as per the Company's investment policy.

31 Contingent liabilities**Accounting policy:**

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 financial statements.

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| (a) Claims against the company not acknowledged as debt; | - | - |
| (b) Guarantees excluding financial guarantees; and | - | - |
| (c) Other money for which the company is contingently liable. | - | - |

The company doesn't have any contingent liability for the year ended March 31, 2025 and for the year ended March 31, 2024.

32 Commitments

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| a) Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |
| b) Uncalled liability on shares and other investments partly paid; | - | - |
| c) Other commitments | - | - |
| Total commitments | - | - |

The company doesn't have any commitments for the year ended March 31, 2025 and for the year ended March 31, 2024.

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Notes to the Ind AS financial statements for the year ended March 31, 2025

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

33 Related Party Disclosures

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 |
| Key management personnel | : Shajitha Lobo, Director and COO : (from November 17, 2022 to June 29, 2024) : Jitendra Chaturvedi, COO (from July 15, 2024) |

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

| Particulars | As at March 31, 2025 | As at March 31, 2024 |
|---|-------------------------|-------------------------|
| A) Transactions during the year | | |
| Rendering of services: | | |
| Revenue from operations: | | |
| National E-Governance Services Limited | 3,145 | 3,043 |
| NESL Asset Data Limited | - | - |
| Netted off against cost of services: | | |
| National E-Governance Services Limited | 25,817 | 23,373 |
| Total rendering of services | 28,962 | 26,416 |
| Receiving of services | | |
| Cost of services: | | |
| National E-Governance Services Limited | 937 | 878 |
| Employee benefit expenses: | | |
| National E-Governance Services Limited | 38 | 43 |
| Other expenses: | | |
| National E-Governance Services Limited | 182 | 180 |
| Total receiving of services | 1,157 | 1,101 |
| Settlement of liabilities on behalf of the related party | | |
| National E-Governance Services Limited | - | 4 |
| NESL Asset Data Limited | 44 | 44 |
| Total | 44 | 48 |
| Settlement of liabilities on behalf by the related party | | |
| National E-Governance Services Limited | 745 | 44 |
| Total | 745 | 44 |
| B) Transactions with KMP's during the year | | |
| There is no remuneration paid to the KMP from the Company for the financial year ended March 31, 2025 and March 31, 2024. | | |
| C) Balances outstanding as at year end | | |
| Particulars | As at March 31, 2025 | As at March 31, 2024 |
| Equity owned by holding company | | |
| National E-Governance Services Limited | 10,000 | 10,000 |
| Total investment by holding company | 10,000 | 10,000 |
| Trade receivable from holding company | | |
| National E-Governance Services Limited | 5,348 | 5,498 |
| Total receivable from holding company | 5,348 | 5,498 |
| Recoverable from fellow subsidiary | | |
| NESL Asset Data Limited | 44 | 44 |
| Total recoverable from fellow subsidiary | 44 | 44 |

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Notes to the Ind AS financial statements for the year ended March 31, 2025

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34 Ratios

The various analytical ratios for the year ended March 31, 2025 and March 31, 2024 are as below:

| Particulars | Numerator | Denominator | As at March 31, 2025 Ratio | As at March 31, 2024 Ratio | Variance in % |
|---|--|--|-----------------------------------|-----------------------------------|----------------------|
| Current ratio (in times) | Current assets | Current liabilities | 3.38 | 1.59 | 113% |
| Debt-Equity Ratio (in times) ⁽¹⁾ | Total Debt (representing lease liabilities) | Shareholders Equity | NA | NA | NA |
| Debt Service Coverage ratio (in %) ⁽¹⁾ | Earnings available for debt service | Debt Service (representing lease liabilities) | NA | NA | NA |
| Return on equity ratio (in %) | Total comprehensive income | Average shareholders Equity | -1% | -4% | 3% |
| Inventory turnover ratio ⁽²⁾ | Cost of goods sold | Average inventory | NA | NA | NA |
| Trade receivables turnover ratio (in times) | Net credit sales | Average trade receivable | 4.67 | 2.13 | 119% |
| Trade payables turnover ratio (in times) | Net credit purchases | Average trade payables | 3.23 | 3.56 | -9% |
| Net Capital turnover ratio (in times) | Revenue | Working capital | 0.41 | 0.97 | -57% |
| Net profit ratio (in %) | Net profit/(loss) after taxes | Revenue | -2.44% | -9.97% | 7.54% |
| Return on Capital employed (in %) | EBIT | Average capital employed | -0.20% | -4.21% | 4.01% |
| Return on investment (in %) | Income generated from investments | Time weighted average investments | 6.16% | 6.14% | 0.02% |

1) The company has no debt outstanding for the year ended March 31, 2025. Hence, debt related ratios are not calculated for year ended March 31, 2025

2) The company has no inventory. Hence, inventory turnover ratio is not applicable.

3) Reasons for variance above 25 %:

a) Current ratio: Increase in collection and settled the liability due to company had decided to discontinue operation

b) Trade receivables turnover ratio: Reduction in time for collections and reduction of volume from key customers leading to a variance.

c) Net Capital turnover Ratio: Working capital increased due to increase in collection and settled the liability due to company had decided to discontinue operation

NESL E-Infrastructure Limited

CIN: U72200MH2017GOI302982

Notes to the Ind AS financial statements for the year ended March 31, 2025

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

35 Other notes accompanying the financial statements

- a) The Company is maintaining the books of account at its administrative office in Bengaluru as authorised by the Board of Directors.
- b) The Company has only one operating segment and monitors its performance for the business as a whole, hence segment reporting is not applicable.
- c) No proceedings have been initiated on or are pending against the group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- d) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- e) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- f) The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- g) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- h) There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- i) The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- j) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- k) There are no immovable properties held in the name of the Company.

For, Balakrishna & Co.
Chartered Accountants
Firm registration number: 004835S

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

Sd/-
Name of Partner: S.V. Prakasha
Partner
Membership No: 210411
Date: 20 June, 2025
Place: Bengaluru

Sd/-
Sowmyanarayan Sadagopan
Director
DIN: 00118285

Sd/-
Jyothish Jolisa
Director
DIN: 10682825

Date: 20 June, 2025
Place: Bengaluru