

VSL/Sep/21-22/02

September 17, 2021

The General Manager
Corporate Services/Listing Department
BSE Limited, Floor 25, P.J. Towers, Dalal Street,
Mumbai -400001
Scrip Code: 531126

Subject: - Reuploading the Annual Report for Financial Year 2020-21


Respected Sir/Madam,

We had uploaded the annual report for the financial year 2020-21 on 06th September 2021 on BSE portal later on we discovered that all the pages are not uploaded successfully on the portal, so we are now re-uploading the same on the portal.

Sorry for the Inconvenience cause, and appreciate your support.

FOR VIRTUALSOFT SYSTEMS LIMITED

Mukta
Mukta Ahuja
Company Secretary



VIRTUALSOFT SYSTEMS LIMITED

(CIN No.: L72200DL1992PLC047931)

Regd. Office: S-101, Panchsheel Park, New Delhi- 110 017 India

Corp. Office: 59, Okhla Industrial Estate, Phase-III, New Delhi - 110 020

T: +91 11 49045050, 42701491 | E: sales@virtsoft.com | W: www.virtsoft.com, www.vreach.net

VSL/Sep/21-22

September 06, 2021

The General Manager,
Corporate Services/ Listing Department
BSE Limited, Floor 25, P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: 531126

Sub: Annual Report for the Financial Year 2020-21

Dear Sir/Madam,

Please find enclosed herewith the Annual Report of Company for the Financial Year 2020-21 along with the Notice of the 29th AGM ('Annual Report'). The Annual Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Annual Report is available on the website of the Company at www.virtsoft.com

This is submitted pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This is for your information and record

Thanking You.

Yours truly,

For VirtualSoft Systems Limited


Mukta Ahuja

Company Secretary

ACS-49501



SUBMISSION OF ANNUAL REPORT FOR THE FINANCIAL YEAR -2020-2021 ALONG WITH NOTICE OF TWENTY NINTH ANNUAL GENETRAL MEETING (AGM) OF THE COMPANY UNDER REGULATION 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015 WILL BE HELD ON 28TH SEPTEMBER-2021

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VIRTUALSOFT
Get The Digital Edge

**CONNECT
COMMUNICATE & ENGAGE
EXPERIENTIALLY**

<p>Telecom Division</p> <p>International Roaming & Enhanced Communications</p> <p>ROAM1 Telecom Limited</p>			<p>Virtual Events & Demand Gen. Division</p> <p> vReach™</p>
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**VIRTUALSOFT SYSTEMS LIMITED
ANNUAL REPORT 2020-2021**

Virtualsoft Systems Limited

BOARD OF DIRECTORS	Mr. Gokul Naresh Tandan Mr. Rajendra V. Kulkarni Mr. Srinivas Chandan Ms. Ashima Puri	Managing Director Director Independent Director Woman & Independent Director
COMPANY SECRETARY	Ms. Mukta Ahuja	
CHIEF FINANCIAL OFFICER (CFO)	Mr. Athar Ahmad	
BANKERS	HDFC BANK LIMITED S-355, Panchshila Park. New Delhi-110 017.	
STATUTORY AUDITORS	Krishna Neeraj & Associates, Chartered Accountants, 212, 2nd Floor, Gagandeep Building, 12 Rajendra Place, New Delhi-110008	
REGISTERED OFFICE	S-101, Panchsheel Park, New Delhi-110 017	
SHARE TRANSFER AGENT	Mas Services Ltd. T-34, Okhla Industrial Area, Phase-II, New Delhi-110020	

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NOTICE

Notice is hereby given that the Twenty Ninth Annual General Meeting of the Members of the Company will be held on Tuesday, September 28, 2021 at 9:00 a.m. through video Conferencing ("VC") / Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2021 and the Profit & Loss Account for the year ended as on that date and the Reports of Auditors and Directors thereon.
2. To re-appoint Mr. Rajendra Virupaksha Kulkarni, Director who retires by rotation and being eligible, has offered himself for reappointment

By Order of the Board of
Directors
Sd/-
Gokul Tandan
Managing Director
Dated: August 27, 2021

NOTES:

1. In view of the continuing Covid-19 pandemic and social distancing norms to be followed, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Corporate members intending to attend the AGM through authorised representatives are requested to send a scanned copy of duly certified copy of the board or governing body resolution authorising the representatives to attend and vote at the Annual General Meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cssanjeevjha@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
4. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 is annexed.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2021 to September 28, 2021 (both days inclusive).
7. Members are requested to kindly notify the change of address, if any to the Company/ the Registrar / Depository Participant.
8. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.virtsoft.com, websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com.
9. The Company has appointed Mr. Sanjeev Kumar Jha, Practicing Company Secretary holding CP No: 9870 as the Scrutinizer for conducting the e-voting process in fair and transparent manner.
10. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.

11. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to CFO, at email id athar@virtsoft.com atleast one week before the meeting.
12. The documents referred to in the proposed resolutions are available for inspection at its Registered Office of the Company during normal business hours on any working day except Saturdays, upto the date of meeting.
13. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN to the Company/Registrar.
14. Members who hold shares in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar, for consolidation into a single folio.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, the Annual Report including audited financial statements for the financial year 2021 including notice of 29th AGM is being sent only through electronic mode to those Members who have not registered their e-mail address so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

In case you have not registered your email id with depository or RTA you may registered your email id in following manner.

Physical Holding	Send a signed request to Registrar and Transfer Agents of the Company, MAS Services Limited at info@masserv.com providing Folio number, Name of the shareholder, scanned copy of the share certificate (Front and Back), PAN(Self attested scanned copy of PAN Card), AADHAR (Self attested scanned copy of Aadhar Card) for registering email address.
Demat Holding	Please contact your Depository Participant (DP) and register your email address as per the process advised by DP.

16. Voting through electronic means:

- (1) In compliance with the provisions of Regulation 44 of the Listing Regulations and Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 Company is offering e-voting facility to its members.
- (2) The Members whose names appear in the Register of Members/list of Beneficial Owners as received from National Securities Depository (NSDL) on 21st September, 2021 are entitled to vote on the resolutions set forth in this Notice. The Voting period will commence at 9.00 am on 25th September 2021 and will end at 5.00 pm on 27th September, 2021. Detailed procedure is given in the enclosed letter.

INSTRUCTION FOR REMOTE EVOTING, EVOTING AND JOINING OF AGM THROUGH VIDEO CONFERENCING

- (i) The shareholders need to visit the e-voting website of NSDL [http://www.evoting.nsdl.com /](http://www.evoting.nsdl.com/).
- (ii) Click on "Shareholders" module.
- (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evoting.nsdl.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:



PAN	<p>For Shareholders holding shares in Demat Form and Physical Form</p> <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence/PAN number which is mentioned in email.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction.

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the demat holders for voting on resolutions of any other company for which they are eligible to vote, provided that the company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Virtualsoft Systems Limited.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same, the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution on which you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHO WISH TO OBTAIN LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE BUT WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES:

1. For Physical shareholders- Kindly send an email with a scanned request letter duly signed by 1st shareholder, scan copy of front and back of one share certificate, copy of PAN card and Aadhar card to info@masserv.com
2. For Demat shareholders - Kindly update your email id with your depository participant and send copy of client master to info@masserv.com

INSTRUCTIONS FOR JOINING MEETING THROUGH VC:



- (i) To join the meeting, the shareholders should log on to the e-voting website <http://www.evoting.nsdl.com/> and login as explained above. After logging-in, kindly click on 'live streaming' tab and you will be redirected to 'cisco' website.

In the "Name" field - Put your USERID as informed in e-mail..

In the "last name" field - Enter your Name

In the "Email ID" field - Put your email ID

In the "Event password" field - Put the password

Click join now button.

Now screen will be displayed for downloading CISCO driver for VC. Please click on run temporary file download

Downloading of driver will be start open driver and click on run.

Event will start and you will be in the AGM through Video conferencing.

You can join meeting through laptop, tablet, and desktop. In case you want to join through mobile, you need to download the webex meet app from the respective play store .

PRE-REQUISITE FOR JOINING OF MEETING THROUGH DESKTOP OR LAPTOP:

1. System requirement:
 - Windows 7, 8 or 10
 - I3
 - Microphone, speaker
 - Internet speed minimum 700 kbps
 - Date and time of computer should be current date and time

PRE-REQUISITE FOR JOINING OF MEETING THROUGH MOBILE:

- Please download webex application from play store
NOTE:IT IS ADVISABLE TO LOGIN BEFOREHAND AT E-VOTING SYSTEM AS EXPLAINED IN E-VOTING INSTRUCTIONS ABOVE,TO BE FAMILIAR WITH THE PROCEDURE, SO THAT YOU DO NOT FACE ANY TROUBLE WHILE LOGGING-IN DURING THE AGM.

By Order of the Board of Directors

Sd/-
Gokul Tandan
Managing Director
Dated: August 27, 2021

DIRECTORS' REPORT

Dear Shareholders,

Your Directors take pleasure in presenting for your consideration and approval the Twenty Ninth Annual Report of Your Company for the financial year ended March 31, 2021.

1 Financial Result

PARTICULARS	(Rupees in Lacs)	
	Year Ended 31.03.2021	Year Ended 31.03.2020
1. Income from Operations		
a) Net Sales/Income From Operations	131.35	90.67
b) Other Operating Income	23.85	34.00
Total Income(a+b)	155.21	124.67
2. Expenses		
a. Cost of Materials Consumed		
b. Purchase of Stock in Trade	116.08	83.16
c. Change in the inventories of Finished Goods, Work in Progress and Stock in Trade		
d. Depreciation & Amortizations expenses	15.94	20.67
e. Employee Benefit Expenses	45.30	51.26
f) Finance cost	4.13	6.37
g). Other expenditure	28.36	23.87
Total Expenses	209.82	185.33
3. Profit (Loss)before Exceptional items and Extraordinary items and TAX (1*2)	(54.61)	(60.66)
4. Exceptional Items	.89	
5. Profit(Loss)before Extraordinary Items and tax(3-4)	(55.50)	(60.66)
6. Extraordinary items		
7. Profit(Loss)before Tax(5-6)	(55.50)	(60.66)
8. TAX Expenses		
Current Tax		
Deferred Tax		
Total Tax Expenses		
9. Net Profit! (Loss)for the period (7-8) (123.67)	(55.50)	(60.66)
10. Other Comprehensive income/(Loss) for of the period (Net Tax Expense)	(1.32)	(1.12)
(a) Total Comprehensive income for the period (9+10)		
11. Total Comprehensive income for the period(9+10)	(56.82)	(61.78)
12. Paid-up equity share capital (Face Value Rs. 10 each)	1029.76	1029.7
13. Earning Per equity share (EPS) (of Rs.10/- each) Not Annualized		
(a) Basic(Rs.)	(0.54)	(0.59)
(b) Diluted(Rs.)	(0.54)	(0.59)



3. BUSINESS AND OPERATIONS OF THE COMPANY

VirtualSoft -Co-creating, Integrating &Optimising World's best & most innovative roaming, mobile first communications & collaboration platforms, Apps and IT solutions to provide small and large enterprises an unbeatable communication &business productivity experience in this age hybrid work-places and phy-gital commerce

Video Rich Broadband and 4G mobile networks – with 5G coming in the next few years- are revolutionizing the way we do business and run our lives.Virtual Soft through its vReach division offer outstanding digital broadband solutions. vReach uses technology developed inhouse and by our best-of–breed global partners to the advantage of large enterprises, associations and media companies as well as their customers and consumers. Broadband network& application solutions offer a convergence of voice, data and video that can be used for your enterprise – by creating and leveraging business function specific virtual events – both live & on-demand, and also by embedding contextual communication & video functionality into key enterprise processes , greatly enhancing the user experience and their productivity impact. This is ideally done through an annual engagement contract with VirtualSoft.

A proprietary system called v Code guarantees clarity and seamless delivery of audio, video and multimedia files across both narrowband and broadband networks.

VirtualSoft has developed a world-class Enterprise Communication Platform called vReach that utilizes existing corporate computing and communications infrastructure to make real-time business meeting and events more cost-effective and convenient by reducing travel and extending reach to globally dispersed customers, partners, and co-workers over low and high bandwidth connections through a simple browser interface.

VirtualSoft'svReach division also offers Rich Media content creation and migration services using proprietary technology and business methods. Over the last many years VirtualSoft has created near video on-demand content synchronized with Power point slides and other interactive mechanisms for leading conference organizers like CII, FICCI,Nasscom,India Federation of Neuro Rehabilitation (IFNR) India Today, Exhibitions India, Invest India and Sugar Technologists' Association of Indiafor leading enterprises such as SAP,IBM, India Today, Gangaram Hospital, Jamia Millia Islamia University, Max Publicity Communication, Delhi Technological University, ESRI<CILT and GEZ.

We has created over 15,000 hours of such content for

over 7000 different conferences and training events. This content is available in CD/DVD form as well as on knowledge on-demand servers accessible over the intranet and/or internet.

vReach has also created a Demand Generation Practice where it uses its own and third party platforms & Databases in-house multi-media content development, social media – web and telemarketing to create customized lead generation, demand gen ,channel training & development, sales enablement and customer engagement programs mainly for Business to Business brands & specially in the Technology space.

In the year under Review, we continued making progress on both the Digital Demand Generation and Telecom initiatives that were launched in the past few years.

In Demand Generation, we continued to explore in-house technology development and partnership options for next generation Virtual Events and Trade Fair platforms aimed at Trade Associations, Independent Conference and Trade Fair Organizers, and Large Technology brands whom we have served for a number of years. We believe that such Platforms supported by our domain competence, creative and solutioning processes developed &nurtured over the past decade will stand us in great stead as we commenceoffering a range of next generation Virtual Experience based events for demand generation, customer engagement, collaboration, learning and knowledge management. This will build on the work done in the past few years for brands like CNBC/ Web 18, Cisco, Oracle, and Intel – both at the India & APAC level. These upgraded and new solutions are expected to hit the market in early to mid 2022.

The Telecom Division launched for global roaming solutions and services under “Roam1” brand (www.roam1.com), in FY 2010-11. The global roaming business portfolio was hived off into a subsidiary Roam 1 Telecom Ltd during FY 13-14, we continue to make significant progress in terms of innovative and unique product introductions and plans as well as gaining market share and acceptance – both from end –customers and channel partners.

Our key offerings in Roam 1 Telecom Ltd, are based on Global or Regional (e.g Europe) Single Sim Product or Platform , that contains multiple IMSI Profiles or local country specific numbers – typically from 3 to 4 in ONE SIM that provides low cost Voice and data services when the subscriber travels overseas. This SIM provides Free Incoming in over 60 countries and provides low cost Call Back to India. This is offered through both prepaid and post-paid plans. The billing is in real time and is visible instantly on the web which ensures that there is no room for over billing. The customer gets to retain the card and can publish the number as his permanent International

Number on his business card and stationary etc. This way every time the customer goes abroad, he adds talk time on his card which makes repeat business very easy for us. The Global Single SIM Product is supported by a wide array of country and continent specific products and plans for voice and data.

Roam1 launched the Konnect VOIP Dialling App on a pilot basis for International Roamers, in 2017-18, which has met with success, with hundreds of paid users successfully using this App every month. This App was enhanced in the year under review with the goal of launching this to a wider section of users in India, and overseas post getting certain regulatory approvals.

VirtualSoft thus develops, integrates, optimizes and deploys the technologies of the day to provide the infrastructure, application platforms and Apps needed for rich and enhanced communications & international roaming services for enterprises and consumers – as well as for creating collaborative virtual and blended business solutions – unified communication and video based - for sales, customer engagement, training ,knowledge management, productivity management of hybrid and mobile work force and for increasing customer delight and yield of mobile first phy-gital commerce.

In the year under Review, with an intent to synergise the two divisions at a corporate level, the C2E3 Initiative was strengthened. C2E3 stands for Connect Communicate Engage Experientially and Cost – Effectively and provides a bridge for the Telecom & Roam 1 Division, and preferred/ strategic partners, to collaborate with the Virtual Events and Demand Gen Division in technology & product development, marketing and large partner and account development. This will create unique cross developed product offerings, solutions and services in the enhanced communications and collaboration space – including for and based on web and video conferencing, cloud telephony & unified communications, Rich Communication Services (RCS) , connected device life-cycle management solutions, tele & hybrid working excellence, and phy-gital commerce.

These new solutions and services will facilitate more sales yield from our sales teams & go to market partners. VirtualSoft now intends strengthening its Systems and Solutions Integration capability in this area , including the capability to offer Mobile First, On -Premises and and integrated/blended C2E3 and digital transformation solutions to both Large Enterprises and SMEs – directly and through Business Partners. The company is also examining setting up an incubator / accelerator in the above domains of expertise, interest and future growth drivers.

Given the pandemic & the New Normal, VirtualSoft

is also working to create a network of Large, Mini & Micro Teleworking Center of Excellence (TCEs) that allow business, educational, hospitality & residential complexes & facilities to leverage this technology and related business process including intrinsic reskilling, motivation and productivity management of remote teleworkers for maximum personal, professional and enterprise productivity.

With the foundation in Enterprise Broadband solutions, Telecom and Roaming Solutions and the newer the C2E2, digital Transformation & TCE Initiatives – all of which are being enhanced for major scale up, the Company now expects significant growth in both revenues and profitability in the years to come.

4. DIVIDEND

Your Directors do not recommend a dividend due to loss incurred for the current financial year.

5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

The provisions of Section 125(2) of the Companies Act, 2013 do not apply pertaining to this financial year.

6. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

7. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The provisions of Risk Management Committee are not applicable on the Company.

8. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There were no loans, guarantees or investments made

by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

No fresh Contracts or Arrangements was made with related parties pursuant to Section 188 except those continuing which were approved earlier by shareholders. Notes to Accounts on the transactions with related parties are self explanatory.

11. STATUTORY AUDITORS

M/s. Krishna Neeraj & Associates, Chartered Accountants, Auditors of the Company has been appointed for a period of 5 years. His appointment is to be ratified at the ensuing at the ensuing Annual General Meeting. The Board proposes ratification of their appointment.

12. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors has appointed Mr Sanjeev Kumar Jha from SJK & Co., practicing Company Secretary for conducting Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as Annexure A.

The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

13. INTERNAL AUDIT

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors has appointed CA Dinesh Bajaj, Chartered Accountant for conducting Internal audit of the Company for the financial year 2020-2021.

14. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualifications, reservations or adverse remarks made by the either by the Auditors or by the Practicing Company Secretary in their respective reports.

15. COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The company has a policy in place which will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the policy which is available for inspection by the Members at the Registered Office of the Company during business hours on working

days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

16. ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B and is attached to this Report.

17. NUMBER OF BOARD MEETINGS & THEIR COMMITTEES CONDUCTED DURING THE YEAR UNDER REVIEW

The Company had FOUR (4) Board meetings during the financial year under review. The details are mentioned elsewhere in the Corporate Governance Report.

18. DIRECTORS

Mr. Rajendra V Kulkarni retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offer himself for reappointment. The Board of Directors is duly constituted during the year under review.

19. DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

20. DEPOSITS

The Company has not accepted deposits from the public for the year under consideration.

21. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The details of financial performance of Subsidiary/ Joint Venture/Associate Company is furnished in Annexure C. and attached to this report.

22. CAPITAL MARKET DEVELOPMENTS

As on date, 94.88% of Shares are in Demat form and are listed on various stock exchanges. The Company has, from time to time, reminded the shareholders/ investor, holding the Shares in Physical form to convert their Shareholding to dematerialized form.

23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

(a) Details of Conservation of Energy

The Company uses electric energy for its equipment such as air-conditioners, computer terminals, lighting and utilities in the work premises.

Steps taken or impact on conservation of energy: All possible measures have been taken to conserve energy

By identifying potential areas for saving;

By incorporating energy efficient equipment;

By automation.

Steps taken by the company for utilizing alternate sources of energy: Nil

Capital Investment on energy conservation equipments: Nil

(b) Technology Absorption

1. Efforts in brief made towards technology absorption, adaptation and innovation:

These are adapted, wherever necessary, to local conditions.

2. Benefits derived as a result of the above efforts:

New product development, productivity and quality improvements, enhanced safety and environmental protection measures and conservation of energy.

3. Technology Imported: NIL

4. Expenditure on R&D: NIL

C. Foreign Exchange earnings and outgo

The information in this regard is provided in Note no. 31 of the Accounts. There had been no foreign exchanges earnings, during the year.

24. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors had laid down internal financial controls to be

followed by the company and that such internal financial controls are adequate and were operating effectively.

Internal financial control means the policies and procedures adopted by the Company 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.

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

25. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The composition of committees has been detailed in Corporate Governance Report part of this Report.

The Company has established a vigil mechanism and overseas through the committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co employees and the Company.

26. SHARES

- a. BUY BACK OF SECURITIES:

The Company has not bought back any of its securities during the year under review.

- b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

- c. BONUS SHARES

No Bonus Shares were issued during the year under review.

- d. EMPLOYEES STOCK OPTION PLAN

The Company has not provided any Stock Option Scheme to the employees.

27. CORPORATE GOVERNANCE

A Separate statement on Corporate Governance along with the Certificate on its compliance is given as part of the Annual Reports.

28. PREVENTION OF SEXUAL HARASSMENT

The Company is an equal opportunity employer and is committed to ensure safe and secure environment prohibiting discrimination on grounds of religion, race, caste, sex, place of birth and gender specific violence such as sexual harassment at the work place.

The Company has the Policy on Prevention, Prohibition & Redressal against Sexual Harassment of Women at Workplace as per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013. This policy provides for prevention and redressal of complaints of sexual harassment and incidental matters. There is an Internal Complaints Committee formed as per the prescribed rules.

The following is a summary of sexual harassment complaints received and disposed off during the period:

Number of Complaints received	NIL
Number of Complaints disposed off	NIL
Number of Complaints pending for disposal	NIL

29. ACKNOWLEDGEMENTS

Your Directors acknowledge with a deep sense of gratitude the continued support extended by investors, customers, business associates, bankers and vendors. Your Directors take this opportunity to thank the regulatory and governmental authorities.

Place : New Delhi
Date : August 27, 2021

For and on behalf of the Board of Directors

Mr. Gokul Tandan	Mr. R.V.Kulkarni
Managing Director	Director

Corporate Governance Report

Corporate Governance is about commitment to values and about ethical business conduct. Its about how an organization is managed. This includes its Corporate Structure, its culture, policies and manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of Corporate Governance. This improves public understanding of the structure, activities and policies of the Organization. Consequently the Organization is able to attract investors, and to enhance the trust and confidence of the stakeholders.

Your Company believes that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, your Company always seeks to attain its performance rules with integrity. The Board extends its fiduciary responsibilities in the widest sense of the term. Your Company's endeavors to enhance long – term shareholder value and respect minority rights in all our business decisions.

1. VSL Philosophy on Corporate Governance

It Satisfy the spirit of law and not just the letter of the law. Corporate Governance standards should go beyond the law. Corporate Governance should :

- Be transparent and maintain high degree of disclosures levels. When in doubt, disclose.
- Make a clear distinction between personal Conveniences and corporate resources.

- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by the business needs.
- Management is the trustee of the shareholder's capital

2. Board of Directors

At the core of its Corporate Governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. Your Company believes that an active, well

– Informed and independent Board is necessary to ensure the highest standards of Corporate Governance. Two directors are independent Directors.

During the Financial Year ended 31st March 2021, Four Board Meetings were held on 30.06.20, 14.08.20, 12.11.20 & 13.02.21,

The Last Annual General Meeting was held on 28th September 2020.

The Composition of the Board, attendance of Directors at the Board Meetings held during the year under review as well as in the last Annual General Meeting and the number of other Directorships / Committee positions held by them are as under:

S. No.	Name & Designation	Category	No. Of other Directorships held	No of Board meetings		Attended last AGM (28.09.2020)
				Held	Attended	
1.	Mr. Gokul N Tandan	MD	6	4	4	Yes
2.	Mr. Rajendra V. Kulkarni	D	8	4	4	Yes
3.	Ms. Ashima Puri	NEID & WD	1	4	4	Yes
4.	Mr. Srinivas Chandan	NEID	0	4	4	No

(MD- Managing Director, D – Director, NEID – Non-Executive Independent Director, WD-Woman Director)

Directorship / Committee Positions

None of the Directors on the Board hold Directorships in more than fifteen Companies and hold memberships in more than ten Committees and they do not act as Chairman of more than five Committees across all the Companies in which they are Directors.

S. No.	Name of the Director	Directorships	Committees Positions Name of the Company	Committee	Position
1.	Mr. Gokul Tandan	6	1. M/s. Goto Customers Services Pvt. Ltd. 2. M/s. Virtual Software & Training Pvt.Ltd. 3. M/s. Roam1 Telecom Ltd. 4. M/s Enhanced Cummunications & Technologies Pvt Ltd 5. M/s Cloudconnect Communications Pvt Ltd 6. M/s Heal Your Paws Pet Services LLP		Director Director Director Director Director Designated Partner
2.	Mr.Rajendra V. Kulkarni	8	1. M/s M R Capital Pvt. Ltd. 2. M/s. Vijay Stampings Pvt. Ltd. 3. M/s. Prime Valves India LLP 4. M/s. Marble Arch Estate Pvt. Ltd 5 M/s. Virtual Software & Training (P). Ltd. 6. M/s. Roam1 Telecom. Ltd. 7. M/s Cloudconnect Communications Pvt Ltd 8. M/S. Emphyrean Beverages Private Ltd.		Director Director Designated Partner Director Director Director Director Director
3.	Ashima Puri	1	1. M/s. Roam1 Telecom. Ltd.		Director

2.1 Information Placed before the Board

In addition to the matters which statutorily require Board's approval, as required by Corporate Governance, the following matters are regularly placed before the Board :

- Minutes of Audit Committee Meetings, Nomination & Remuneration Committee, Stakeholder Relationship Committee.
- Recruitment and Remuneration of senior executives below the board level.
- Details of Joint Ventures / Collaboration Agreement.
- Disclosure of material related party transaction, if any
- Compliance with Regulatory and statutory requirements including listing requirements & Shareholders services.
- Details of show cause, demand, prosecution and penalty notices which are materially important
- Transactions involving substantial payments towards goodwill, brand equity or intellectual Property.
- Sale of material nature of investments, subsidiaries and assets, which are outside the normal course of business.

3. Committees of the Board

In terms of the SEBI code, the Board of the Company has constituted the Following Committees:

3.1 Audit Committee

The following are the members and their attendance at the committee meetings:-

S.No.	Name of Directors	Status	No. of meetings	
			Held	Attended
1.	Mr. Rajendra V Kulkarni	Member	4	4
2.	Ms. Ashima Puri	Chairperson	4	4
3.	Mr. Srinivas Chandan	Member	4	4

During the year under review, the Audit Committee met 4 times on 30.06.20, 14.08.20, 12.11.20 & 13.02.21.

The broad terms of references of Audit Committee are as follows:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment / re- appointment of external and internal auditors, tax auditors, fixation of statutory audit fees, internal audit fees, secretarial audit fees and tax audit fees and also approval for payment of any other services.
- Review and management the annual financial statements before submission to the Board.
- Review quarterly UN – audited /audited financial results, half yearly review report.
- Review with Management, external and internal auditors the adequacy of internal control system.
- Review the adequacy of internal audit program me, internal audit reports; follow up reports and guidelines prepared for internal audit.
- To do any internal investigations either departmentally or with the help of internal auditors or any other outside agency into matters where they are suspected fraud or irregularities.
- Discussion with external Auditors before the Audit commences about nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Review the Company's financial and Risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors.

3.2. Nomination & Remuneration Committee:

The Committee consists of three Directors chaired by NEID.

The Committee met Four times during the year on on 30.06.20, 14.08.20, 12.11.20 & 13.02.21. The following are the members and their attendance at the Committee Meetings:-

Name of Member		No. of meetings	
		Held	Attended
1. Ms. Ashima Puri	Chairperson	4	4
2. Mr. Rajendra V Kulkarni	Member	4	4
3. Mr. Srinivas Chandan	Member	4	4

3.3. Stakeholder Relationship Committee

The Committee consists of three Directors chaired by NEID.

This Committee looks into transfer and transmission of Shares, issue of duplicate share certificates,

Consolidation and sub – division of shares and investors' grievance. This Committee particularly looks into Investors Grievances and oversees the performance of the in- house Share Department/ Share Transfer Agents and to ensure prompt and

Efficient investors' services. The Committee met Four times during the year on 30.06.20, 14.08.20, 12.11.20 & 13.02.21. The following are the members and their attendance at the Committee Meetings:-

Name of Member		No. of meetings	
		Held	Attended
1. Ms. Ashima Puri	Chairperson	4	4
2. Mr. Rajendra V Kulkarni	Member	4	4
3. Mr. Srinivas Chandan	Member	4	4

4. General Body Meetings

Location and time where General Meetings held in the last 3 years is given below:

Year	AGM / EGM	LOCATION	DATE	TIME
2019-2020	AGM	Through Video Conferencing	28.09.2020	9.00 A.M
2018-2019	AGM	Ambica Palace, B-3/B, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi – 110 053	30.09.2019	9.00 A.M
2017-2018	AGM	Ambica Palace, B-3/B, Near Main Market, Bhajanpura, Main Wazirabad Road, Delhi – 110 053	28.09.2018	9.00 A.M.

At the ensuing AGM also there is no such resolution to be passed through Postal Ballot.

3. Disclosures on materially significant related party transactions with Promoters, Directors, Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large.

None of the materially significant transactions with any of the related parties were in conflict with the interest of the Company.

6. Non – compliance by Company, penalties, strictures imposed on the Company by Stock Exchanges / Securities and Exchange Board of India (SEBI) etc.

During the last three years, the Stock Exchanges imposed a penalty of Rs. 4,720 for a minor delay in submission of Corporate Governance Report which was duly paid & complied. In this year, a penalty was imposed but later waived off on explanation provided.

7. Means of Communication

This is being done through Quarterly, half yearly and annual results, which are being published in English and Hindi daily newspapers

8. General Shareholders Information:

Detailed information in this regard provided in the shareholder information section forms part of this Annual Report.

9. Compliance Certificate:

The Company Secretary have certified that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges and the same is annexed to The Director's Report.

The Certificate form the Statutory Auditors will be sent to the Listed Stock Exchanges along with the Annual Return of The Company.

SHAREHOLDERS INFORMATION

Registered Office : S-101, Panchsheel Park, New Delhi-110 017

Corporate Office : 59, Okhla Industrial Estate Phase-III, NewDelhi-110020

Annual General Meeting : Date & Time: 28th September, 2021 at 9:00 A .M.

Financial Calendar:

-Financial reporting for the quarter ending June 30. 2021	: 14th August 2021
-Financial reporting for the quarter ending Sep 30. 2021	: 14th November 2021
-Financial reporting for the quarter ending Dec 31. 2021	: 14th February 2022
-Financial reporting for the Year ending March 31. 2022	: 30th May 2022

Date of Book Closures: September 22, 2021 to September 28, 2021, both days inclusive.

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the Stock Exchange at Bombay Stock Exchange, Mumbai.



Status of Dematerialization as on March 31, 2021

PARTICULARS	NO. OF SHARES	% TO TOTAL CAPITAL
National Security Depository Limited	8677981	84.27%
Central Depository Services (India) Limited	1092863	10.61%
TOTAL DEMATERIALIZED	9770844	94.88%
PHYSICAL	526756	5.12%
GRAND TOTAL	10297600	100%

CERTIFICATE ON CORPORATE GOVERNANCE CERTIFICATE

M/s VIRTUAL SOFT SYSTEMS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by **M/s. VIRTUAL SOFT SYSTEMS LIMITED**. ('the Company') for the year ended 31st March, 2021 as stipulated in Clause 49 of the Listing Agreement of the said with various Stock Exchange (hereinafter referred to as "the agreement").
2. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Company.
3. In our opinion and based on our review and to the best of our information and according to the explanations given to us, we certify that the conditions of the Corporate Governance as stipulated I clause 49 of the agreement have been complied with in all material aspects of the Company.
4. As required by the Guidance note issued by the institute of Chartered Accountants of India, we have to state that as per the records maintained by the Share transfer and / Investor Grievance Committee, there was no investor except which are constrained by disputes and legal impediments.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SJK & Co
Sd/-
Sanjeev K Jha
Company Secretary
C P No. 9870

Place: New Delhi
Date: 27th August, 2021

UDIN : F008690C000881760

Annexure A

Form No. MR-3

Secretarial Audit Report

(For the Financial Year ending on 31st March 2021)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
Virtualsoft Systems Ltd

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Virtualsoft Systems Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. I have examined the books, papers, minute books, forms and returns filed and other records maintained by Virtualsoft Systems Limited ("The Company") for the period ended on 31st March 2021 according to the provisions of:
 - I. The Companies Act, 2013 (the Act) and the Rules made there under;
 - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c. The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - g. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - h. The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the BSE Limited.

During the period under review the Company has complied broadly with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above.

2. I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors or their committee's that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, no such instance was applicable as explained to me.

The Company has obtained all necessary approvals under the various provisions of the Act as explained to me; and

There were no prosecutions initiated against the directors or the company. However penalty was imposed by Bombay Stock Exchange during the year but later on waived in pursuance of explanations given as explained to me. No other penalty/fine/prosecution was imposed or initiated under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.

3. I further report that:

- a. As per information & declaration received from the management, the Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited;
- b. As per information & declaration received from the management, the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. As per information & declaration received from the management, the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
4. I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For SJK & Co.

Sd/-

(Sanjeev K Jha)

Company Secretary

FCS-8690, CP No: 9870

Dated 25th June 2021 at New Delhi

UDIN : F008690C000881760

**STANDALONE FINANCIAL STATEMENT
INDEPENDENT AUDITOR'S REPORT**

**To the Members of VirtualSoft Systems Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

We have audited the standalone financial statements of Virtualsoft Systems Limited("the Company"), which comprise the balance sheet as at 31stMarch 2021 and the statement of Profit and Loss(including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of 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 financial statements and our auditor's report thereon.

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

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives, and rebates accrued by the Company's customers based on sales.</p>	<p>Audit Procedure Applied Our audit included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> • Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. • Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates. • Reviewing disclosures included in the notes to the accompanying financial statements.

Emphasis of Matter

Attention is invited to Note No. 7 under Explanatory Notes to Financial Statements regarding amortization of intangible assets. The company has not provided for amortization of CRM Software and Website under development

Attention is invited to Note No. 10 under Explanatory Notes to Financial Statements regarding investment in subsidiary. The Company is showing investment in the subsidiary at cost whereas the subsidiary is continuously in heavy losses and also has negative net worth.

Attention is invited to Note No. 44 under Explanatory Notes to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded (Net Worth as on 31st March 2021 is minus Rs. 8,62,64,846/-and accumulated losses as on 31st March 2021 is minus Rs.18,35,58,746/-).Moreover, the company is continuously suffering heavy losses. These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited towards the company's profitability which is under heavy and continuous losses and therefore no deferred tax provisions have been made as no profit is foreseen in the near future.

Attention is invited regarding taken on lease assets and liabilities and therefore no deferred tax provisions have been made as no profit is foreseen in the near future.

Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the 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.

Responsibilities of 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise

professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - A) As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the

Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.

- B) B) 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 has disclosed the impact of pending litigations on its financial position 43 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Followings are the instances of delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company:

Year	Amount(Rs)
1997-1998	43,850/-
1996-1997	27,390/-

- C) With respect to the matter to be included in the Auditor's Report under section 197(16):

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

For **KRISHNA NEERAJ & ASSOCIATES**
Chartered Accountants
FRN: 023233N

CA. **Krishna K. Neeraj**
Partner
Membership No. 506669

UDIN: 21506669AAAAEX2204
New Delhi
Date: 30.06.2021

The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.

We report that:

- i. In respect of fixed assets
 - a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - a. According to the information and explanations given to us, point (c) is not applicable as the company does not have any immovable properties.
- ii. In respect of its Inventories:
 - a) As informed and represented to us, there were no inventories lying with the company which were required to be physically verified during the year by the management at reasonable intervals.
 - b) As the company does not have inventory, point (b) is not applicable.
- iii. In respect of loans granted by the company:
 - a) The company has not granted any loans, secured or unsecured to Companies firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) Accordingly, para (iii)(b) and para 3(iii) (c) of the order is not applicable to the Company in respect of repayment of the principal amount and interest.
- iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013 with respect to respect of loans and investments made.
- v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Therefore, the provisions of sections 73 to 76 of the Companies Act, 2013 and the rules framed thereunder are not applicable to the Company.
- vi. We have been informed by the management that no cost records have been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products sold or services rendered by the company.
- vii. According to the information and explanations given to us and on the basis of books of accounts, the company is not regular in depositing undisputed statutory dues including Service Tax, Goods and Service Tax, Income Tax, and other material statutory dues as applicable with appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service Tax, Goods and Service tax, and Excise Duty were outstanding as on 31st of March, 2021 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, goods and service tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any dispute as at March 31, 2021.
- viii. In our opinion and according to the information and explanations given by the management, the Company has not taken any loans from financial institutions or banks so there is no default in repayment of dues to financial institutions or banks or bond holders.
- ix. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. Based on our audit procedures and according to the information given by the management, the money raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purpose for which they were obtained.
- xi. According to the information and explanations given to us and based on our examination of records of the company, The company has not paid/provided for managerial remuneration in the financial year under consideration.
- xii. According to the information and explanations given to us, The company is not a Nidhi Company. Therefore clause xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been

disclosed in the Financial Statements etc. as required by the applicable accounting standards.

- xiv. In our opinion and according to information and explanations given to us and based on our examination of the records, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion and according to information and explanations given to us, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, para 3(xv) of the order is not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **KRISHNA NEERAJ & ASSOCIATES**
Chartered Accountants
FRN: 023233N

CA. **Krishna K. Neeraj**
Partner
Membership No. 506669

New Delhi
Date: 30/06/2021

Annexure- B to the Auditors' Report

((Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **KRISHNA NEERAJ & ASSOCIATES**
Chartered Accountants
FRN: 023233N

CA. Krishna K. Neeraj
Partner
Membership No. 506669

New Delhi
Date: 30/06/2021



VIRTUALSOFT CIN : L72200DL1992PLC047931

Virtualsoft Systems Limited

Balance Sheet as at 31 March, 2021

In Indian Rupees

Particulars	Note	As At 31st March 2021	As At 31st March 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	6	953,619	1,032,571
(b) Intangible assets under Development	7	9,011,334	4,511,334
(c) Right-of-use assets	8	-	3,380,972
(d) Other Intangible assets		-	-
(e) Financial assets		-	-
(i) Investments	9	92,630,000	92,630,000
(ii) Loans	10	238,669	506,616
(f) Deferred Tax Assets (Net)		-	-
(g) Other non-current assets	11	-	35,940
		102,833,622	102,097,433
II Current assets			
(a) Inventories	12	-	-
(b) Financial assets			
(i) Trade receivables	13	4,285,010	2,651,512
(ii) Cash and cash equivalents	14	794,117	529,720
(iii) Other bank balances	15	250,000	250,000
(iv) Loans	10	-	-
(v) Other Financial Assets	16	169,309	145,093
(c) Other current assets	17	9,464,860	10,262,690
		14,963,295	13,839,014
TOTAL ASSETS			
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	18	102,976,000	102,976,000
(b) Other equity	19	(189,240,846)	(183,558,746)
Total equity		(86,264,846)	(80,582,746)
IV LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	191,229,188	183,600,265
(ii) Lease liabilities	8	-	1,410,574
(iii) Other Financial Liabilities	21	-	-
(b) Provisions	22	1,068,174	1,414,346
		192,297,362	186,425,185
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	-	-
(ii) Trade payables	23	4,189,473	2,806,268
(iii) Lease Liabilities	8	-	2,149,776
(iv) Other financial liabilities	24	71,240	71,240
(b) Other current liabilities	25	7,433,641	4,994,219
(c) Provisions	22	70,047	72,505
		11,764,401	10,094,008
Total liabilities		204,061,763	196,519,193
TOTAL EQUITY AND LIABILITIES		117,796,917	115,936,447
Summary of significant Accounting policies	3		
The accompanying notes are an integral part of the financial statements			

In terms of our report of even date attached.

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

For and on behalf of the Board of Directors

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Place : New Delhi
Date : 30-June-2021

Rajendra V. Kulkarni

Director

DIN : 00988255

UDIN: 21506669AAAAEX2204

Gokul N Tandan

Managing Director

DIN : 00441563

Athar Ahmad
C.F.O.

Mukta Ahuja

Company Secretary

M. No. : 49501

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

Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
I Revenue from operations	27	13,135,800	9,066,878
II Other income	28	2,385,454	3,400,066
III Total income (I+II)		15,521,254	12,466,944
IV Expenses			
(a) Purchase of services	29	11,608,000	8,315,875
(b) Employee benefit expense	31	4,530,447	5,126,452
(c) Finance costs	32	413,138	637,469
(d) Depreciation and amortization expense	33	1,594,214	2,066,821
(e) Other expenses	34	2,836,222	2,386,730
Total expense		20,982,021	18,533,346
V Profit before exceptional items and tax (III-IV)		(5,460,767)	(6,066,402)
VI Exceptional items	35	(89,425)	-
VII Profit before tax (V+VI)		(5,550,192)	(6,066,402)
VIII Income tax expense			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII-VIII)		(5,550,192)	(6,066,402)
X Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurements of post-employment defined benefit obligations	36	(131,908)	(111,868)
(ii) Change in fair value of FVOCI equity instruments			
(iii) Income tax effect			
Other comprehensive income for the year, net of tax		(131,908)	(111,868)
XI Total comprehensive income for the year (IX+X)		(5,682,100)	(6,178,270)
XII Earnings per share in Rs.	40		
Basic earnings per equity share		(0.54)	(0.59)
Diluted earnings per equity share		(0.54)	(0.59)

Summary of significant Accounting policies 3

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

For and on behalf of the Board of Directors

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Rajendra V. Kulkarni

Director

DIN : 00988255

Gokul N Tandan

Managing Director

DIN : 00441563

Mukta Ahuja

Company Secretary

M. No. : 49501

Place : New Delhi

Date : 30-June-2021

UDIN: 21506669AAAAEX2204

Athar Ahmad

C.F.O.



Statement of changes in equity for the year ended 31st March 2021

A	Equity share capital	Note No.	Nos.	Rs. in Laks
	As at 1st April 2019		1,02,97,600	10,29,76,000
	Changes in equity share capital	18	-	-
	As at 31st March 2020		1,02,97,600	10,29,76,000
	Changes in equity share capital	18	-	-
	As at 31st March 2021		1,02,97,600	10,29,76,000

(B)	Other equity	Capital Reserve	Retained Earnings	FVOCI -Equity instruments	Total other equity
	Balance as at 1st April 2018	2,000,000	(167,361,642)	-	(165,361,642)
	Profit for the year	-	(12,366,824)	-	(12,366,824)
	Other comprehensive income	-	347,990	-	347,990
	Total comprehensive income for the year	-	(12,018,834)	-	(12,018,834)
	Equity Dividend including taxes thereon	-	-	-	-
	Issue of equity shares	-	-	-	-
	Balance as at 31st March 2019	2,000,000	(179,380,476)	-	(177,380,476)
	Balance as at 1st April 2019	2,000,000	(179,380,476)	-	(177,380,476)
	Profit for the year	-	(6,066,402)	-	(6,066,402)
	Other comprehensive income	-	(111,868)	-	(111,868)
	Total comprehensive income for the year	-	(6,178,270)	-	(6,178,270)
	Equity Dividend including taxes thereon	-	-	-	-
	Issue of equity shares	-	-	-	-
	Balance as at 31st March 2020	2,000,000	(185,558,746)	-	(183,558,746)
	Balance as at 1st April 2019	2,000,000	(185,558,746)	-	(183,558,746)
	Profit for the year	-	(5,550,192)	-	(5,550,192)
	Other comprehensive income	-	(131,908)	-	(131,908)
	Total comprehensive income for the year	-	(5,682,100)	-	(5,682,100)
	Equity Dividend including taxes thereon	-	-	-	-
	Issue of equity shares	-	-	-	-
	Balance as at 31st March 2020	2,000,000	(191,240,846)	-	(189,240,846)

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**
Chartered Accountants
FRN: 023233N

For and on behalf of the Board of Directors

CA. Krishna K. Neeraj
Partner
Membership no : 506669

Rajendra V. Kulkarni
Director
DIN : 00988255

Gokul N Tandan
Managing Director
DIN : 00441563

Mukta Ahuja
Company Secretary
M. No. : 49501

Place : New Delhi
Date : 30-June-2021

Athar Ahmad
C.F.O.

Cash Flow Statement for the year ended 31 March, 2021

Particulars	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit after tax	(5,550,192)	(6,066,402)
Adjustment to reconcile profit before tax to net cash flows :		
Depreciation/amortization	1,594,214	2,066,821
(Profit)/Loss on sale of property, plant and equipment	-	-
Other comprehensive income	(131,908)	(111,868)
Deferred tax	-	-
Interest expense	413,138	637,469
Other non operating income	(2,385,454)	3,278,098
Operating profit before working capital changes	(6,060,202)	(195,883)
Movements in working capital:		
(Decrease)/increase in trade payables and other liabilities	3,822,627	(310,676)
(Decrease)/increase in short-term provisions	(2,458)	-
(Decrease)/increase liability for current tax	-	-
Decrease/(increase) in trade receivable	(1,633,498)	2,486,619
Decrease/(increase) in inventories	-	-
Decrease/(increase) in other bank balances	-	-
Decrease/(increase) in short term loans	-	24,077
Decrease/(increase) in other current assets	773,614	(6,042,772)
Cash generated from operations	(3,099,917)	(4,038,636)
Direct taxes paid	-	-
Net cash flow from/(used in) operating activities (A)	(3,099,917)	(4,038,636)
Cash flows from investing activities		
Purchase of property, plant and equipment, including intangible assets, capital work in progress	(4,562,500)	(5,520,009)
Proceeds from sale of property, plant and equipment	-	-
Decrease/(increase) in non-current investments	-	-
(Decrease)/increase in long-term provisions	(346,172)	314,308
Decrease/(increase) in other non-current assets	35,940	(35,940)
Increase/(decrease) in other non-current Financial Liabilities	-	-
Decrease/(increase) in long term loans Assets	267,947	98,967
Interest received	24,216	(3,278,098)
Net cash flow from investing activities (B)	(4,580,569)	(8,420,772)
Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	-



Virtualsoft Systems Limited

Proceeds/(Repayment) of long-term borrowings & Lease liabilities	8,081,321	10,272,172
Proceeds/(Repayment) of short-term borrowings & lease liabilities	-	2,149,776
Equity Dividend including taxes thereon	-	-
Interest paid	(136,438)	(637,469)
Net cash flow from / (used in) financing activities (C)	7,944,883	11,784,480
Net increase/(decrease) in cash and cash equivalents (A + B +C)	264,397	(674,927)
Cash and cash equivalents at the beginning of the year	529,720	1,204,647
Cash and cash equivalents at the end of the year	794,116	529,720
Components of cash and cash equivalents		
Cash in hand	577,366	32,482
Cheques/ drafts in hand		
With banks in current account	145,510	425,998
Unpaid dividend accounts	71,240	71,240
in deposit accounts	-	-
Total cash and cash equivalents [Refer Note No. 16]	794,116	529,720

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 s

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj
Partner
Membership no : 506669

Rajendra V. Kulkarni
Director
DIN : 00988255

Place : New Delhi
Date : 30-June-2021

For and on behalf of the Board of Directors

Gokul N Tandan
Managing Director
DIN : 00441563

Mukta Ahuja
Company Secretary
M. No. : 49501

Athar Ahmad
C.F.O.

1. Corporate information

Virtualsoft Systems Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited in India. The registered office of the Company is located at Flat No.S-101, Panchsheel Park, New Delhi - 110017.

The vision of the company is to empower business and learning communities with rich "knowledge on demand". The Company is primarily engaged in the business of Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

These standalone financial statements are approved for issue by the Board of Directors on June 30, 2021.

2. Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

The standalone financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest rupees, unless stated otherwise.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the standalone financial statements.

a) Functional and presentation currency

The standalone financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual

despatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised by reference to the stage of completion of work.

d) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

e) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

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

Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-today repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not

capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Software are amortized on a straight line basis over a period of 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated

useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the

shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

l) Income taxes

Current income tax

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

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. 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 on the basis of amounts expected to be paid to the tax authorities.

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 are recognised for all taxable temporary differences, except:

- when the deferred tax liability 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;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of 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;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

m) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have

an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

n) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised

because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

p) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

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

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the

effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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 recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised 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 trade and other payables and borrowings, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

r) Accounting for foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) Dividends

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other

key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

Useful lives of property, plant and equipment ('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the

economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 34.

Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards have been incorporated in the financial statements, where ever applicable.

Notes to financial statements for the year ended 31 March 2021

(All amounts in Indian Rupees unless otherwise stated)

6 Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipments	Computer	Vehicle	Total
At 01 April 2019	6,72,917	7,99,265	71,200	1,87,758	17,31,140
Additions	1,10,899	-	94,644	-	2,05,543
Disposals / adjustments	-	-	-	-	-
At 31 March 2020	7,83,816	7,99,265	1,65,844	1,87,758	19,36,683
Additions	-	-	62,500	-	62,500
Disposals / adjustments	-	-	-	-	-
At 31 March 2021	7,83,816	7,99,265	2,28,344	1,87,758	19,99,183
Depreciation					
At 01 April 2019	14,537	5,41,650	26,840	1,87,758	7,70,785
Charge for the year	72,404	49,108	11,815	-	1,33,327
Disposals / adjustments	-	-	-	-	-
At 31 March 2020	86,941	5,90,758	38,655	187,758	9,04,112
Charge for the year	72,404	49,108	19,940	-	1,41,452
Disposals / adjustments	-	-	-	-	-
At 31 March 2021	1,59,345	6,39,866	58,595	187,758	10,45,564
Net Block					
At 31 March 2020	6,96,875	2,08,507	1,27,189	-	10,32,571
At 31 March 2021	6,24,471	1,59,399	1,69,749	-	953,619

Note : 7 Intangible assets under Development

	CRM Software	Website under development	Total
Deemed Cost			
At 01 April 2019	24,71,334	20,40,000	45,11,334
Additions	-	-	-
Disposals / adjustments	-	-	-
At 31 March 2020	24,71,334	20,40,000	45,11,334
Additions	45,00,000	-	45,00,000
Disposals / adjustments	-	-	-
At 31 March 2021	69,71,334	20,40,000	90,11,334
Amortization			
At 01 April 2019	-	-	-
Charge for the year	-	-	-
Disposals / adjustments	-	-	-
At 31 March 2020	-	-	-
Charge for the year	-	-	-
Disposals / adjustments	-	-	-
At 31 March 2021	-	-	-
Net block			
At 31 March 2020	24,71,334	20,40,000	45,11,334
At 31 March 2021	69,71,334	20,40,000	90,11,334

Note : 8

	As at 31st March 2021	As at 1st March 2020
(A) Right-of-use assets		
Due to COVID impacted uncertain circumstances, right to use on leasehold properties could not be recognised.		

Note : 9 Financial assets - Investments

	As at 31st March 2021	As at 1st March 2020
(A) Investment in Subsidiary		
Equity instruments (unquoted)		
15,95,000 (31 March 2020: 15,95,000)	92,630,000	92,630,000
Total	92,630,000	92,630,000
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	92,630,000	92,630,000
Aggregate amount of impairment in value of investments		

Note: 10 Financial assets - Loans

(valued at lower of cost and net realizable value)

	As at 31st March 2021	As at 1st March 2020
(a) Non Current Loans (Unsecured, Considered Good)		
Loans to related parties (subsidiary)	-	-
Security Deposits *	2,38,669	5,06,616
Loans and advances to employees	-	-
Total Non Current Loans	2,38,669	5,06,616
(b) Current Loans (Unsecured, Considered Good)		
Advances to related parties (subsidiary)	-	-
Advances Recoverable	-	-
Security Deposits	-	-
Loans and advances to employees	-	-
Total Current Loans	-	-

Note : 11 Other non-current assets

	As at 31st March 2021	As at 1st March 2020
Capital advances (unsecured, considered good)	-	-
Accrued Income	-	-
Prepaid expenses	-	35,940
Total	-	35,940

Note : 12 Inventories

	As at 31st March 2021	As at 1st March 2020
(valued at lower of cost and net realizable value)		
Raw Materials*	-	-
Work-in-Progress	-	-
Finished Goods	-	-
Stores and Spares	-	-
Total	-	-

Note : 13 Financial assets - Trade receivables

	As at 31st March 2021	As at 1st March 2020
Trade receivables	4,285,010	2,651,512
Total	4,285,010	2,651,512
Break-up of security details	-	-
Secured, considered good	-	-
Unsecured, considered good	4,285,010	2,651,512
Doubtful	-	-
Total	4,285,010	2,651,512
Less : Allowance for bad and doubtful debts	-	-
Total	4,285,010	2,651,512

Note : 14 Financial assets - Cash and cash equivalents

	As at 31st March 2021	As at 1st March 2020
Balances with banks:		
-In current accounts	145,510	425,998
-in unpaid dividend accounts	71,240	71,240
-Deposits with original maturity of 3 months or less (including interest accrued thereon)@	-	-
Cash in hand	577,367	32,482
Total	794,117	529,720

Note : 15 Financial assets - Other Bank Balances

	As at 31st March 2021	As at 1st March 2020
Deposits with original maturity for more than 3 months but not more than 12 months	250,000	250,000
Total	250,000	250,000

Note : 16 Financial assets - Other Current Financial Assets

	As at 31st March 2021	As at 1st March 2020
Interest Accrued on FDR	169,309	145,093
Total	169,309	145,093

Note : 17 Other current assets

	As at 31st March 2021	As at 1st March 2020
Prepaid Expenses	-	53,762
Balances with statutory / government authorities	9,464,860	6,281,328
Other Advances to Subsidiary/related party	-	3,927,600
Total	9,464,860	10,262,690

18 Share capital	As at 31st March 2021	As at 31st March 2020
Authorised share capital 15,000,000 (31 March 2020 : 15,000,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
Total	150,000,000	150,000,000
Issued, Subscribed and fully paid up shares 1,02,97,600 (31 March 2020 : 1,02,97,600) Equity Shares of Rs. 10/- each, fully paid up	102,976,000	102,976,000
Add: Forfeited Shares - Amount Originally Paid up	-	-
Total	102,976,000	102,976,000

(a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2021		As at 31st March 2020	
	No.	Rs. in Lakhs	No.	Rs. in Lakhs
Equity Shares at the beginning of the year	1,02,97,600	10,29,76,000	1,02,97,600	10,29,76,000
Add : Shares issued on exercise of preferential allotment during the year	-	-	-	-
Equity Shares at the end of the year	1,02,97,600	10,29,76,000	1,02,97,600	10,29,76,000

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

(b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2021		As at 31st March 2020	
	No.	% Holding	No.	% Holding
(a) Virtual Software and Training Private Limited	3,750,000	36.42%	3,750,000	36.42%
(b) Gokul N Tandan	2,866,725	27.84%	2,866,725	27.84%
Total	6,616,725	64.26%	6,616,725	64.26%

Note : 19 Other Equity

	As at 31st March 2021	As at 31st March 2020
(i) Capital Reserve	20,00,000	20,00,000
(ii) Securities Premium	-	-
(iii) General reserve	(191,240,846)	(185,558,746)
(iv) Profit and Loss	-	-
Total	(189,240,846)	(183,558,746)
(i) Capital Reserve		
Opening Balance	2,000,000	2,000,000
Less : Issue of equity shares	-	-
Closing Balance	2,000,000	2,000,000
(ii) Securities Premium		
Opening Balance	-	-
Add : Addition on Issue of equity shares	-	-
Closing Balance	-	-
(iii) Retained earnings		
Opening Balance	(185,558,746)	(179,380,476)
Add : Profit for the year	(5,550,192)	(6,066,402)
Add : Remeasurement of post employment benefit obligation, net of tax	(131,908)	(111,868)
Closing Balance	(191,240,846)	-
(185,558,746)		
(iv) Other Reserves		
Opening Balance	-	-
Add : Change in fair value equity instruments measured at FVOCI	-	-
Closing Balance	-	-

Note : 20 Financial liabilities - Non-Current Borrowings

	As at 31st March 2021	As at 31st March 2020
Secured Loans		
Term Loans from Banks	-	-
Term Loans from Others	-	-
Total (A)	-	-
Unsecured Loans		
LLoans from Directors	1,91,020,265	1,81,600,265
Term Loans from Others Relative party	-	-
Other Loan	2,08,923	20,00,000
Total (B)	1,91,229,188	1,83,600,265
Total Borrowings [C=A+B]	1,91,229,188	1,83,600,265
Current Maturities	-	-
Non-current	1,91,229,188	1,83,600,265

The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note : 21 Other Financial Liabilities

	As at 31st March 2021	As at 31st March 2020
Financial Guarantee Obligation		
Total	-	-
Current (included in Note : 26)	-	-
Non-current	-	-

Note : 22 Provisions

	As at 31st March 2021	As at 1st March 2020
Provision for gratuity	979,610	1,365,553
Provision for Leave Encashment	158,611	121,298
Total	1,138,221	1,486,851
Current	70,047	72,505
Non-current	1,068,174	1,414,346

Note : 23 Financial liabilities - Trade Payables

	As at 31st March 2021	As at 1st March 2020
Current		
Total outstanding dues of micro & small enterprises*	67,500	67,500
Others	4,121,973	2,738,768
Total	4,189,473	2,806,268

*Amounts due to Micro & Small enterprises under MSMED Act, 2006 is Rs. 67500/- (31st March 2020: Rs. 67500/-). Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the suppliers / information made available by the company regarding status under the Micro, Small and Medium Enterprises Development Act, 2006.

Note : 24 Other financial liabilities

	As at 31st March 2021	As at 1st March 2020
Current Maturities of Non-Current Borrowings (refer to Note : 19)	-	-
Unclaimed Dividend	71,240	71,240
Interest accrued but not due on borrowings		
Total	71,240	71,240

Note : 25 Other current liabilities

	As at 31st March 2021	As at 1st March 2020
Statutory Dues Payable	6,075,284	3,673,157
Salary Payable	1,308,591	1,145,581
Other Payables	49,766	175,481
Total	7,433,641	4,994,219

Note : 26 Current tax liabilities (Net)

	As at 31st March 2021	As at 1st March 2020
Income tax Payable	-	-

27. Revenue from operations	As at 31st March 2021	As at 31st March 2020
Sales of Products (Including Excise Duty)	13,135,800	9,066,878
Total	13,135,800	9,066,878
28. Other Income	31st March 2021	31st March 2020
Miscellaneous Receipts	2,361,238	3,278,098
Interest income from financial assets at amortized cost	-	65,401
Interest received	24,216	56,567
Total	2,385,454	3,400,066
29. Purchase of Services	31st March 2021	31st March 2020
Purchases	11,608,000	8,315,875
Total Cost of Purchase of Services [A]	11,608,000	8,315,875
30. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31st March 2021	31st March 2020
Opening Stock of Finished Goods	-	-
Less: Closing Stock of Finished Goods	-	-
Total (A)	-	-
Opening Stock of Work-in-Progress	-	-
Less: Closing Stock of Work-in-Progress	-	-
Total (B)	-	-
Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	-	-
31. Employee Benefit Expenses	31st March 2021	31st March 2020
Director's Remuneration	-	4,307
Salaries, Wages, Bonus and Other Benefits	3,841,576	4,890,248
Gratuity	535,911	184,048
Leave Compensation	116,946	18,392
Contribution to Provident and Other Funds	26,112	27,933
Workmen and Staff Welfare Expenses	9,902	1,524
Total	4,530,447	5,126,452
32. Finance Costs	31st March 2021	31st March 2020
Interest Expenses	413,138	637,469
Other Financial Charges	-	-
Total	413,138	637,469
33. Depreciation and amortization expenses	31st March 2021	31st March 2020
Depreciation on Property Plant & Equipment (Read with Note No. 7)	1,594,214	2,066,821
Total	1,594,214	2,066,821

34. Other Expenses	31st March 2021	31st March 2020
Administrative and Selling Expenses		
Advertisement and Publicity	84,220	26,792
Auditors' Remuneration & Refreshment	75,000	75,000
Bad Debts Written Off		345,293
Bank Charges	100	634
Communication Expense	84,009	78,40
Conveyance Expenses	40,256	44,794
Directors Sitting Fees	70,000	15,000
Diwali Expenses	2,000	12,500
Domain Expenses	12,097	18,480
Electricity & Water Expenses	296,007	456,620
Fees and Subscription Expense	411,524	511,099
Govt Dues-Late Fees & Penalty	944	23,700
Interest on GST	-	2,024
Interest on TDS	10,408	15,263
Legal & Professional Fees	163,000	633,013
Miscellaneous Expenses	122	499
Printing & Stationery	15,601	55,500
Rent	1,438,500	66,000
Repair & Maintenance-Office	123,099	6,112
Selling Expenses		-
Travelling Expenses	9,335	-
Total Other Expenses	2,836,222	2,386,730
35. Exceptional Items	31st March 2021	31st March 2020
Prior Period Expenses	89,425.00	-
Total	89,425.00	-
Payment to auditor	31st March 2021	31st March 2020
i) Audit fees	75,000	75,000
ii) Fees for income tax matters	-	-
iii) Certification charges & others	-	-
Total	75,000	75,000
*Corporate Social Responsibility Expenses	31st March 2021	31st March 2020
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	-	-
Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On purposes other than (i) above		

36. Employee benefit obligations

(A) Defined benefit plans

“Gratuity:

Provision for gratuity is determined by actuaries using the projected unit credit method.”

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The company makes provision of such gratuity asset/liability in the books of accounts on basis of actuarial valuation for FY 2020-2021.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) **Changes in the present value of the defined benefit obligation are as follows:**

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation at 1 April 2019	1,089,295	83,248
Interest expense	76,251	5,827
Current service cost	107,797	12,565
Benefits paid	-	-
Actuarial (gain)/ loss	92,210	19,658
Defined benefit obligation at 31 March 2020	1,365,553	121,298
Interest expense	95,589	8,491
Current service cost	79,872	23,779
Benefits paid	(645,696)	(42,573)
Actuarial (gain)/ loss	84,292	47,616
Defined benefit obligation at 31 March 2021	979,610	158,611

(ii) **The amount to be recognized in the Balance Sheet:**

Particulars	Gratuity Funded	Leave Encashment
Present value of obligation	1,365,553	121,298
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2020	1,365,553	121,298
Present value of obligation	979,610	158,611
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2021	979,610	158,611

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

Particulars	Gratuity Funded	Leave Encashment
Interest Cost	76,251	5,827
Current service cost	107,797	12,565
Amount recognised in Statement of Profit and Loss for year ended 31 March 2020	184,048	18,392
Interest Cost	95,589	8,491
Current service cost	79,872	23,779
Amount recognised in Statement of Profit and Loss for year ended 31 March 2021	175,461	32,270

(iv) **Amount recognised in Other Comprehensive Income:**

Particulars	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	92,210	19,658
Actuarial (gain)/ loss on plan assets	-	
Amount recognised in Other Comprehensive Income for year ended 31 March 2020	92,210	19,658
Actuarial (gain)/ loss on obligations	84,292	47,616
Actuarial (gain)/ loss on plan assets	-	
Amount recognised in Other Comprehensive Income for year ended 31 March 2021	84,292	47,616

(v) **Changes in the fair value of plan assets are as follows:**

Particulars	Gratuity Funded	Leave Encashment
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2020	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2021	-	-

(vi) **The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**

Particulars	As at 31st March 2021	As at 1st March 2020
Investment Details	Gratuity	Gratuity
Investment with Insurer	0%	0%

(vii) **The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans are shown below:**

Gratuity & Leave Encashment

Particulars	As at 31st March 2021	As at 1st March 2020
Average Past Service (Years)	9.90	11.80
Average remaining working life (Years)	19.00	18.60
Average Age (Years)	39.00	39.40
Weighted average duration (Years) - Gratuity	13.00	14.00
Weighted average duration (Years) - Leave Encashment	14.00	13.00
Discounting rate	7.00%	7.00%
Salary Growth Rate	5.00% PA	5.00% PA

(viii) **Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	31st March, 2021		31st March, 2020	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	903,420.00	145,546.00	1,250,883.00	111,594.00
Liability with 1% decrease in Discount Rate	1,065,474.00	173,525.00	1,495,942.00	132,262.00
Liability with 1% increase in Salary Growth Rate	1,066,330.00	173,676.00	1,497,225.00	132,368.00
Liability with 1% decrease in Salary Growth Rate	901,318.00	145,188.00	1,247,771.00	111,339.00
(B) Defined contribution plans			31 March 2021	31 March 2020
Employer's Contribution to Provident Fund			26,112	27,933
Employer's Contribution to ESI			-	-
Employer's Contribution to NPS			-	-
Total			26,112	27,933

37. Segment information

The Company's operations predominately relate to empower business and learning communities with rich "knowledge-on demand". The Company is engaged in pioneering Broadband, Virtual event & proving mobile roaming services & solutions.

Geographical Information

Particulars	31st March 2021	31st March 2020
1. Revenue from external customers		
- Within India	13,135,800	9,066,878
- Outside India	-	-
Total revenue per statement of profit and loss	13,135,800	9,066,878
The revenue information above is based on the locations of the customers		
2. Non-current operating assets		
- Within India	9,964,953	8,924,877
- Outside India	-	-
Total	9,964,953	8,924,877

Non-current operating assets for this purpose consist of property, plant and equipment, CWIP, investment properties and intangible assets.

38 A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Subsidiary Companies :
Roam1 Telecom Limited

(b) Key Management Personnel (KMP):

Mr. Gokul N Tandan	Chairman cum Managing Director
Mr. Rajendra V. Kulkarni	Director
Ms. Ashima Puri	Director
Mr. Srinivas Chandan	Director
Ms. Mukta Ahuja	Company Secretary
Mr. Athar Ahmad	Chief Financial Officer

(c) Enterprises over which KMP/ relatives of KMP exercise significant influence :-

M/S.HEAL YOUR PAWS PET SERVICES LLP	GOKUL N TANDAN IS DESIGNATED PARTNER
M/S GOTO CUSTOMER SERVICES PVT LTD	GOKUL N TANDAN IS DIRECTOR
M/S VIRTUAL SOFTWARE & TRAINING PVT LTD.	GOKUL N TANDAN IS DIRECTOR
M/S ENHANCED COMMUNICATIONS & TECHNOLOGIES PVT LTD	GOKUL N TANDAN IS DIRECTOR
M/S ROAM1 TELECOM LIMITED	GOKUL N TANDAN IS DIRECTOR
M/S. CLOUDCONNECT COMMUNICATIONS PRIVATE LIMITED	GOKUL N TANDAN IS DIRECTOR
M/S PRIME VALVES INDIA LLP	RAJENDRA V. KULKARNI IS DESIGNATED PARTNER
M R CAPITAL PVT LTD	RAJENDRA V. KULKARNI IS DIRECTOR
M/S VIJAY STAMPINGS PVT LTD	RAJENDRA V. KULKARNI IS DIRECTOR
M/S MARBLE ARCH ESTATE PRIVATE LIMITED	RAJENDRA V. KULKARNI IS DIRECTOR
M/S VIRTUAL SOFTWARE & TRAINING PVT LTD.	RAJENDRA V. KULKARNI IS DIRECTOR
M/S ROAM1 TELECOM LIMITED	RAJENDRA V. KULKARNI IS DIRECTOR
M/S. CLOUDCONNECT COMMUNICATIONS PRIVATE LIMITED	RAJENDRA V. KULKARNI IS DIRECTOR
M/S. EMPYREAN BEVERAGES PRIVATE LTD.	RAJENDRA V. KULKARNI IS DIRECTOR
M/S. ROAM1 TELECOM LIMITED	ASHIMA PURI IS DIRECTOR

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Short-term Employee Benefits					-			
Interest Paid/Payable					-	-		
Lease Rent Paid/Payable					-	-		
Interest Received/Receivable					-	-		
Director's Remuneration			0.55	15,000.00			0.55	15,000.00
Professional Fee					-	-		
Reimbursement of Expenses					-	-		
Rent Received/Receivable					-	-		
JobWork Charges Paid/Payable					-	-		
Purchases	53.10						53.10	
Sales					-	-		
Sale of PPE					-	-		
Purchase of PPE					-	-		
FINANCE					-	-		
Unsecured Loans Received			94.20	122.00			94.20	122.00
Unsecured Loans Paid back				25.00			-	25.00
Unsecured Loans Received Back					-	-		
Short Term Loans Paid					-	-		
Short Term Loans Received Back					-	-		
Advances Paid	0.65	45.30					0.65	45.30
Advances Received Back	0.25	6.02					0.25	6.02
Corporate guarantee given							-	-

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil)

39. Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013

Particulars	31st March 2021	31st March 2020
(a) Loan given by the Company for general business purposes as at balance sheet date :	-	-
(b) Corporate guarantee given by the Company as at balance sheet date : For securing the credit facilities sanctioned to subsidiary company	-	-

40. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

Particulars	31 March 2021	31 March 2020
Profit for the year	(5,550,192)	(6,066,402)
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	10,297,600	10,297,600
Effect of dilution		
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	10,297,600	10,297,600
Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	(0.54)	(0.59)
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(0.54)	(0.59)

41. Leases

Operating Lease

Company as a lessee:

The Company has taken certain vehicles and immovable properties on operating lease. Due to current pandemic situation, when the operation and business prospects are highly uncertain, right to use assets on operating leases entered into by the Company are not recognised as such leases are cancelable on giving notice of one to three months.

Company as a lessor:

The Company has given certain immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Finance Lease

The company does not have any finance lease as at March 31, 2021.

42. Capital commitments

Particulars

31st March 2021 31st March 2020

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

- - -

43. Contingent liabilities

There are no contingent liabilities as on date of Balance sheet as there is no pending litigations on/by the company

44. Going Concern Basis

The company has accumulated losses of Rs. 18,92,40,846/- as at 31st March, 2021 and its net worth as at that date is minus Rs. 8,62,64,846/-. Although these events or conditions may cast significant doubt on the Company's ability to continue as going concern, it has detailed plan for renewal of its operations. Accordingly the financial statements have been prepared on the basis that the company is a going concern and that adjustment are required to the carrying value of assets and liabilities.

45. Reconciliation and confirmations

Balances of debtors and creditors and loans and advances to/from parties, security deposits are subject to reconciliations and confirmations.

46. Provision for tax

In view of the carried forward losses, no provision for current tax have been made during the year. Provision for Deferred tax has also not been recognized in the Balance Sheet in view of the fact that there exists

no virtual certainty supported by convincing evidence that there will be available sufficient future profits against which such deferred tax asset can be adjusted.

47. Intangible assets under development

The company is developing a CRM software called Live Webcast Suite for providing telecom services and a Website. No amount has been capitalized during the year. The management is of the opinion that since the process is still going on & hence no amortization is required during this year Website. No amount has been capitalized during the year. The management is of the opinion that since the process is still going on & hence no amortization is required during this year

48. Other Disclosures

- The company has not received any Government Grants during the year
- As at year end, there was amount of Rs. 67500/- due to any small scale industrial undertaking
- Figures are rounded off to nearest rupee.

49. Financial Instruments measurements and disclosures

(a) Financial instruments by category :

Particulars			31st March 2021		31st March 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets							
Non-current							
Investment	-	-	-	-	-	-	-
Loans	-	-	238,669	-	-	-	506,616
Current							
Trade receivables	-	-	4,285,010	-	-	-	5,138,131
Cash and cash equivalents	-	-	794,117	-	-	-	529,720
Other bank balances	-	-	250,000	-	-	-	250,000
Loans	-	-	-	-	-	-	-
Total	-	-	5,567,796	-	-	-	6,424,467
Financial liabilities							
Non-current							
Borrowings	-	-	191,229,188	-	-	-	183,600,265
Other Financial Liabilities	-	-	-	-	-	-	-
Current							
Borrowings	-	-	-	-	-	-	-
Trade payables	-	-	2,806,268	-	-	-	2,806,268
Other financial liabilities	-	-	71,240	-	-	-	71,240
Total	-	-	194,106,696	-	-	-	186,477,773

(b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

(c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents assets and liabilities measured at fair value at 31 March 2021 and 31 March 2020:

Particulars	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	-	-	-	-	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Advances to related parties	-	-	-	-	-	-
Loans to employees	-	-	-	-	-	-
Security Deposits	-	-	2,38,669	-	-	2,38,669
	-	-	2,38,669	-	-	2,38,669
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Borrowings	-	-	-	-	-	-
Financial Guarantee Obligation	-	-	-	-	-	-

There are no transfers among levels 1, 2 and 3 during the year.

In terms of our report of even date attached.

For Krishna Neeraj & Associates

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Place : New Delhi

Date : 30-June-2021

Rajendra V. Kulkarni

Director

DIN : 00988255

For and on behalf of the Board of Directors

Gokul N Tandan

Managing Director

DIN : 00441563

Athar Ahmad

C.F.O.

Mukta Ahuja

Company Secretary

M. No. : 49501



INDEPENDENT AUDITOR'S REPORT

To the Members of VIRTUALSOFT SYSTEMS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of VIRTUALSOFT SYSTEMS LIMITED ("the Company" or "the Holding Company") and its subsidiaries together to be referred as "the Group", comprising the balance sheet as at 31st March 2021, and the statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act,

2013 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.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of 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 financial statements and our auditor's report thereon.

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

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

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
<p>Revenue is recognized in accordance with Ind AS 115, net of discounts, incentives, and rebates accrued by the Company's customers based on sales.</p>	<p>Audit Procedure Applied Our audit included but was not limited to the following procedures:</p> <ul style="list-style-type: none"> • Understanding the policies and procedures applied to revenue recognition including an analysis of the effectiveness of controls related to revenue recognition processes employed by the Company. • Carrying out substantive analytical procedures, analysing the actual performance of revenue and cost of sales related to discounts, incentives and rebates etc. • Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. • Analysing and discussing with management significant contracts including contractual terms and conditions related to discounts, incentives and rebates used in the related estimates. • Reviewing disclosures included in the notes to the accompanying financial statements.

Emphasis of Matter

Attention is invited to Note No. 40 under Explanatory Notes to Financial Statements regarding the financial statements being prepared on a going concern basis, notwithstanding the fact that the company's net worth is eroded (Net Worth as on 31st March 2021 is minus Rs. Rs.17,59,68,071/- whereas accumulated losses is minus Rs. 27,89,44,071/-). Moreover, the company is continuously suffering heavy losses. These events cast significant doubt on the ability of the Company to continue as a going concern.

Attention is invited to Note No. 7 under Explanatory Notes to Financial Statements regarding amortization of intangible assets. The company has not provided for amortization of CRM Software and Website under development.

Attention is invited towards the company's and its subsidiary's profitability which are under heavy and continuous losses and therefore no deferred tax provisions have been made as no profit is foreseen in the near future.

Attention is invited regarding taken on lease assets and liabilities and therefore no deferred tax provisions have been made as no profit is foreseen in the near future.

Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the 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.

Responsibilities of 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing

and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

- 1) As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the

Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'.
- 2) 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 has disclosed the impact of pending litigations on its financial position - refer note 43 to the Standalone Financial Statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Followings are the instances of delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company:

Year	Amount (Rs.)
1997-1998	43,850/-
1996-1997	27,390/-

- 3) With respect to the matter to be included in the Auditor's Report under section 197(16):

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

For **KRISHNA NEERAJ & ASSOCIATES**

Chartered Accountants
FRN: 023233N

UDIN: 21506669AAAAFG2333
New Delhi
Date: 30/06/2021

CA. Krishna K. Neeraj
Partner
Membership No. 506669

Annexure - A to the Auditors' Report
(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of VIRTUALSOFT SYSTEMS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **KRISHNA NEERAJ & ASSOCIATES**
Chartered Accountants
FRN: 023233N

UDIN: 21506669AAAAFG2333
New Delhi
Date: 30/06/2021

CA. Krishna K. Neeraj
Partner
Membership No. 506669

Consolidated Balance Sheet as at 31 March, 2021

In Indian Rupees

Particulars	Note	As at 31st March 2021	As at 31st March 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	6	4,194,493	5,759,598
(b) Intangible Assets	7	81,889,567	77,515,667
(c) Intangible Asset under development	8	102,326,151	102,326,151
(d) Right-of-use assets	9	-	5,494,080
(d) Financial assets			
(i) Loans	10	1,318,990	1,993,850
(f) Other non-current assets	11	-	58,402
		<u>189,729,201</u>	<u>193,147,748</u>
II Current assets			
(a) Inventories	12	865,956	2,480,076
(b) Financial assets			
(i) Trade receivables	13	10,519,133	8,678,599
(ii) Cash and cash equivalents	14	1,496,155	874,375
(iii) Other bank balances	15	250,000	250,000
(iv) Loans	10	1,844,502	1,831,889
(v) Other financial assets	16	169,309	145,093
(c) Other current assets	17	18,898,740	13,479,134
		<u>34,043,795</u>	<u>27,739,166</u>
TOTAL ASSETS		<u>223,772,996</u>	<u>220,886,914</u>
EQUITY AND LIABILITIES			
III Equity			
(a) Equity share capital	18	102,976,000	102,976,000
(b) Other equity	19	(278,944,071)	(259,007,836)
Total equity		<u>(175,968,071)</u>	<u>(156,031,836)</u>
Minority Interest		(10,520,979)	881,007
LIABILITIES			
IV Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	355,416,918	321,487,995
(ii) Lease Liabilities	9	-	2,292,182
(b) Provisions	21	4,524,816	4,792,299
		<u>359,941,734</u>	<u>328,572,476</u>
V Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	10,362,830	10,202,006
(ii) Trade payables	23	10,879,091	6,776,224
(iii) Lease liabilities	9	-	3,493,387
(iv) Other financial liabilities	24	622,107	478,537
(b) Other current liabilities	25	28,161,950	26,244,153
(c) Provisions	21	294,334	270,961
		<u>50,320,312</u>	<u>47,465,268</u>
Total liabilities		<u>410,262,046</u>	<u>376,037,744</u>
TOTAL EQUITY AND LIABILITIES		<u>223,772,996</u>	<u>220,886,914</u>
Summary of significant Accounting policies	3		

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Place : New Delhi

Date : 30-June-2021

Rajendra V. Kulkarni

Director

DIN : 00988255

UDIN: 21506669AAAAFG2333

For and on behalf of the Board of Directors

Gokul N Tandan

Managing Director

DIN : 00441563

Athar Ahmad

C.F.O.

Mukta Ahuja

Company Secretary

M. No. : 49501

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

Particulars	Note No.	For the year ended 31 March, 2021	For the year ended 31 March, 2020
I Revenue from operations	26	25,461,700	55,522,495
II Other income	27	2,399,827	3,719,324
III Total income (I+II)		27,861,527	59,241,819
IV Expenses			
(a) Cost of raw material consumed		-	-
(b) Purchase of stock in trade / services	28	14,450,431	43,423,221
(c) Changes in inventories of finished goods, stock in trade and work-in-progress	29	1,614,120	132,556
(e) Excise duty on sale of goods			
(f) Employee benefit expense	30	22,156,931	35,323,089
(g) Finance costs	31	1,711,876	2,182,939
(h) Depreciation and amortization expense	32	3,920,244	5,055,538
(i) Other expenses	33	15,937,332	21,255,841
Total expense		59,790,934	107,373,184
V Profit before exceptional items and tax (III-IV)		(31,929,407)	(48,131,365)
VI Exceptional items	34	(140,965)	-
VII Profit before tax (V+VI)		(32,070,372)	(48,131,365)
VIII Income tax expense			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
IX Profit for the year (VII-VIII)		(32,070,372)	(48,131,365)
Less: Share of Minority in Current Year Profits/Loss		(12,048,998)	(20,460,196)
		(20,021,374)	(27,671,169)
X Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurements of post-employment defined benefit obligations		85,140	(472,012)
(ii) Change in fair value of FVOCI equity instruments			
(iii) Income tax effect			
Other comprehensive income for the year, net of tax		85,140	(472,012)
XI Total comprehensive income for the year (IX+X)		(19,936,234)	(28,143,181)
XII Earnings per share in Rs.	39		
Basic earnings per equity share		(1.94)	(2.69)
Diluted earnings per equity share		(1.94)	(2.69)
Summary of significant Accounting policies	3		
The accompanying notes are an integral part of the financial statements			

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Place : New Delhi

Date : 30-June-2021

Rajendra V. Kulkarni

Director

DIN : 00988255

UDIN: 21506669AAAAFG2333

For and on behalf of the Board of Directors

Gokul N Tandan

Managing Director

DIN : 00441563

Athar Ahmad

C.F.O.

Mukta Ahuja

Company Secretary

M. No. : 49501



Statement of changes in equity for the year ended 31st March 2021

A	Equity share capital	Note No.	Nos.	Rs. in Laks		
	As at 1st April 2019		1,02,97,600	10,29,76,000		
	<i>Changes in equity share capital</i>	18	-	-		
	As at 31st March 2020		1,02,97,600	10,29,76,000		
	<i>Changes in equity share capital</i>	18	-	-		
	As at 31st March 2021		1,02,97,600	10,29,76,000		
(B)	<i>Other equity</i>					
	<i>Particulars</i>	Capital Reserve Reserve	Securities Premium	Retained Earnings	FVOCI -Equity instruments	Total other equity
	Balance as at 1st April 2019	2,000,000	75,451,152	(308,315,809)	-	(230,864,657)
	Profit for the year	-	-	(48,131,365)	-	(48,131,365)
	Less: Share of Minority in Current Year	-	-	20,460,196	-	20,460,196
	Less: Adjustment due to shareholding change	-	-	-	-	-
	Other comprehensive income	-	-	(472,011)	-	(472,011)
	Total comprehensive income for the year	-	-	(28,143,179)	-	(28,143,179)
	Equity Dividend including taxes thereon	-	-	-	-	-
	Adjustment due to consolidation	-	-	-	-	-
	Balance as at 31st March 2020	2,000,000	75,451,152	(336,458,988)	-	(259,007,836)
	Balance as at 1st April 2020	2,000,000	75,451,152	(336,458,988)	-	(259,007,836)
	Profit for the year	-	-	(32,070,372)	-	(32,070,372)
	Less: Share of Minority in Current Year	-	-	12,048,998	-	12,048,998
	Less: Adjustment due to shareholding change	-	-	-	-	-
	Other comprehensive income	-	-	85,140	-	85,140
	Total comprehensive income for the year	-	-	(19,936,234)	-	(19,936,234)
	Equity Dividend including taxes thereon	-	-	-	-	-
	Adjustment due to consolidation	-	-	-	-	-
	Balance as at 31st March 2021	2,000,000	75,451,152	(356,395,223)	-	(278,944,071)

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Place : New Delhi

Date : 30-June-2021

Rajendra V. Kulkarni

Director

DIN : 00988255

For and on behalf of the Board of Directors

Gokul N Tandan

Managing Director

DIN : 00441563

Athar Ahmad

C.F.O.

Mukta Ahuja

Company Secretary

M. No. : 49501

Consolidated Cash Flow Statement for the year ended 31 March, 2021

Particulars	Note No.	As at 31 March, 2021	As at 31 March, 2020
A Cash flow from operating activities			
Profit after tax		(3,207,372)	(48,131,365)
Adjustment to reconcile profit before tax to net cash flows :			
Depreciation/amortization		3,920,244	5,055,538
(Profit)/Loss on sale of property, plant and equipment		-	-
Other comprehensive income		85,140	(472,012)
Deferred tax		-	-
Interest expense		1,711,876	2,182,939
Interest income		(2,399,827)	3,719,324
Operating profit before working capital changes		(28,752,939)	(37,645,576)
Movements in working capital:			
(Decrease)/increase in trade payables and other liabilities		6,164,234	801,080
(Decrease)/increase in short-term provisions		23,373	54,788
(Decrease)/increase liability for current tax		-	-
Decrease/(increase) in trade receivable		(1,840,534)	4,323,412
Decrease/(increase) in inventories		1,614,120	132,556
Decrease/(increase) in other bank balances		-	-
Decrease/(increase) in short term loans		(12,613)	206,587
Decrease/(increase) in other current assets		(5,443,822)	(4,475,703)
Cash generated from operations		(28,248,181)	(36,602,856)
Direct taxes paid		-	-
Net cash flow from/(used in) operating activities (A)		(28,248,181)	(36,602,856)
Cash flows from investing activities			
Purchase of property, plant and equipment, including intangible assets, capital work in progress		(4,729,207)	(9,346,995)
Proceeds from sale of property, plant and equipment		-	-
Decrease/(increase) in non-current investments			
(Decrease)/increase in long-term provisions		(267,483)	1,283,833
Decrease/(increase) in other non-current assets		58,402	(58,402)
Increase/(decrease) in other non-current Financial Liabilities		-	-
Decrease/(increase) in long term loans		674,860	1,306,248
Interest received		38,589	(3,719,324)
Net cash flow from investing activities (B)		(4,224,839)	(10,534,640)
Cash flow from financing activities			
Proceeds from issuance of equity share capital		-	-
Proceeds/(Repayment) of long-term borrowings & lease liability		33,928,923	45,303,780
Proceeds/(Repayment) of short-term borrowings & lease liabilities		160,824	3,627,475

Equity Dividend including taxes thereon	-	-
Interest paid	(994,947)	(2,182,939)
Net cash flow from / (used in) financing activities (C)	33,094,800	46,748,316
Net increase/(decrease) in cash and cash equivalents (A + B +C)	621,780	(389,180)
Cash and cash equivalents at the beginning of the year	874,375	1,263,555
Cash and cash equivalents at the end of the year	1,496,155	874,375
Components of cash and cash equivalents		
Cash in hand	640,380	33,768
Cheques/ drafts in hand		
With banks in current account	784,535	769,367
Unpaid dividend accounts in deposit accounts	71,240	71,240
	-	-
Total cash and cash equivalents [Refer Note No. 16]	1,496,155	874,375

Note : The above Cash flow statement has been prepared under the Indirect method setout in Ind AS-7 'Statement of Cash Flow'.

Summary of significant Accounting policies

The accompanying notes are an integral part of the financial statements

In terms of our report of even date attached.

For **Krishna Neeraj & Associates**

Chartered Accountants

FRN: 023233N

CA. Krishna K. Neeraj

Partner

Membership no : 506669

Place : New Delhi

Date : 30-June-2021

For and on behalf of the Board of Directors

Rajendra V. Kulkarni

Director

DIN : 00988255

Gokul N Tandan

Managing Director

DIN : 00441563

Athar Ahmad

C.F.O.

Mukta Ahuja

Company Secretary

M. No. : 49501

Notes to the consolidated financial statements for the year ended 31 March 2021.

1. Corporate information

Virtualsoft Systems Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its equity shares are listed on the BSE Limited in India. The registered office of the Company is located at Flat No.S-101, Panchsheel Park, New Delhi - 110017.

The vision of the company is to empower business and learning communities with rich "knowledge on demand". The Company is primarily engaged in the business of Pioneering Broadband, Virtual Event & Providing Mobile Roaming Services & Solutions.

These consolidated Ind AS financial statements are approved for issue by the Board of Directors on June 30, 2021.

2. Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 as amended and the relevant provisions of the Companies Act, 2013.

The consolidated financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and financial liabilities which are measured at fair value/ amortized cost (Refer accounting policy regarding financial instruments).

The consolidated financial statements are presented in Indian Rupees Lakhs and all values have been rounded to the nearest rupees, unless stated otherwise.

3. Significant accounting policies

The Company has applied the following accounting policies to all periods presented in the consolidated financial statements.

a) Functional and presentation currency

The consolidated financial statements are prepared in Indian Rupees, which is the Company's presentation currency and the functional currency for all its operations.

b) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only.

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which usually is on actual despatch of goods to the buyer. Amounts disclosed are inclusive of excise duty and net of returns and allowances, trade discounts, volume rebates, value added taxes and goods and service tax and amounts collected on behalf of third parties.

Rendering of services

Revenue from services is recognised by reference to the stage of completion of work.

d) Other Income

i. Interest Income

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in finance income in the statement of profit and loss.

ii. Dividends

Dividend income is recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

iii. Rental Income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit and loss.

e) Property, plant and equipment

All property, plant and equipment are stated at historical cost, net of accumulated depreciation (other than freehold land) and accumulated impairment losses, if any.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Items such as spares are capitalized when they meet the definition of property, plant and equipment.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Likewise, expenditure towards major inspections and overhauls are identified as a separate component and depreciated over the expected period till the next overhaul expenditure.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on property, plant and equipment is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Freehold land is not depreciated.

Leasehold buildings are amortised over the duration of the shorter of the useful life or lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the disposal or retirement or derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss.

Capital work-in-progress represents cost of property, plant and equipment that are not yet ready for their intended use and are carried at cost determined as aforesaid.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates to be adjusted prospectively. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The Company does not have any intangible assets with indefinite useful lives.

Softwares are amortized on a straight line basis over a period of 4 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

g) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and wherever applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Depreciation on investment properties is calculated using the straight-line method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives, as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the

net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment properties recognised as of 1 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

h) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares, packing materials and others: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Work in progress: cost includes cost of direct materials and labour and estimated overheads upto the stage of completion. Cost is determined on first-in, first-out (FIFO) basis.
- Finished goods: cost includes cost of direct materials, labour, cost of manufacturing, cost of conversion and other costs incurred in finishing the goods. Cost is determined on first-in, first-out (FIFO) basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first-out (FIFO) basis.
- Scrap is valued at estimated net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are expensed in the period in which they occur and are recognised in the statement of profit and loss using the effective interest method.

k) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining

balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leases in which a significant portion of the risk and rewards of ownership are not transferred to the Company are classified as operating lease. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Leases are classified as finance leases when substantially all the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

I) Income taxes

Current income tax

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

Current income tax relating to items recognized outside of profit or loss is recognized outside of profit or loss [either in other comprehensive income (OCI) or in equity]. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. 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 on the basis of amounts expected to be paid to the tax authorities.

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 are recognised for all taxable temporary differences, except:

- when the deferred tax liability 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;
- in respect of taxable temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of 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;
- In respect of deductible temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised 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 realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Current tax and deferred tax relating to items recognised outside profit or loss are recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and tax liabilities on a net basis.

m) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- a. Defined benefit plans in the nature of gratuity, and
- b. Defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in Indian Rupees is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

n) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. The unwinding of discount is recognized in the statement of profit and loss as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

p) Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

i. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost, if both the following conditions are met:

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

This category is most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

ii. Debt instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

iv. Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

Equity investment in subsidiaries and joint ventures are carried at historical cost as per the accounting policy choice given by Ind AS 27.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's 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.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities and deposits;
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18.

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 recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in the subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on a twelve month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised 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 trade and other payables and borrowings, etc.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i. **Financial liabilities at FVTPL**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

ii. **Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values and recognised as income in the statement of profit and loss.

Where guarantees in relation to loans or other payables of group companies are provided for no compensation, the fair value are accounted for as contributions and recognised as part of cost of investment.

r) **Accounting for foreign currency transactions**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupees (INR), which is the Company's presentation currency and functional currency.

Transactions in currencies other than the functional currency are translated into the functional currency at the exchange rates that approximates the rate as at the date of the transaction. Monetary assets and liabilities denominated in other currencies are translated into the functional currency at exchange rates prevailing on the reporting date. Non-monetary assets and liabilities denominated in other currencies and measured at historical cost or fair value are translated at the exchange rates prevailing on the dates on which such values were determined.

All exchange differences are included in statement of profit and loss.

s) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

t) **Dividends**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

u) **Earnings per share**

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share is calculated by dividing the profit attributable to the shareholders of the Company (after adjusting the corresponding income/ charge for dilutive potential equity shares, if any) by the weighted average number of equity shares outstanding during the financial year plus the weighted average number of additional equity shares that would have been issued on conversion of all the dilutive potential equity shares.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Income taxes

The Company is subject to income tax laws as applicable in India. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.

Useful lives of property, plant and equipment('PPE') and intangible assets

Management reviews the estimated useful lives and residual value of PPE and Intangibles at the end of each reporting period. Factors such as changes in the expected level of usage, technological developments and product life-cycle, could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

Employee benefit obligations

The cost of the defined benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note No. 34.

Contingencies

Management judgment of contingencies is based on the internal assessments and opinion from the consultants for the possible outflow of resources, if any.

5. Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards have been incorporated in the financial statements, where ever applicable.

Notes to the consolidated financial statements for the year ended 31st March 2021

(All amounts in Indian Rupees unless otherwise stated)

6. Property, plant and equipment

Particulars	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total
At 1st April 2019	2,538,554	10,467,393	3,822,713	3,197,608	20,026,268
Additions	110,889	78,909	521,190	-	710,988
Disposals / adjustments	-	-	-	-	-
At 31st March 2020	2,649,443	10,546,302	4,343,903	3,197,608	20,737,256
Additions	117,372	49,335	62,500	-	229,207
Disposals / adjustments	-	-	-	-	-
At 31st March 2021	2,766,815	10,595,637	4,406,403	3,197,608	20,966,463
Depreciation*					
At 1st April 2019	336,524	7,495,792	3,778,553	1,580,603	13,191,472
Charge for the year	193,890	1,420,691	57,697	113,908	1,786,186
Disposals / adjustments	-	-	-	-	-
At 31st March 2020	530,414	8,916,483	3,836,250	1,694,511	14,977,658
Charge for the year	193,890	1,420,691	65,823	113,908	1,794,312
Disposals / adjustments	-	-	-	-	-
At 31st March 2021	724,304	10,337,174	3,902,073	1,808,419	16,771,970
Net Block					
At 1st April 2019	2,202,030	2,971,601	44,160	1,617,005	6,834,796
At 31st March 2020	2,119,029	1,629,819	507,653	1,503,097	5,759,598
At 31st March 2021	2,042,511	258,463	504,330	1,389,189	4,194,493
7 Intangible Assests	Goodwill	Mobile Application Software	Trade Mark	Website	Total
Particulars					
At 1st April 2019	76,831,698	297,810	32,350	1,200,000	78,361,858
Addition on account of consolidation	-	-	-	-	-
At 31st March 2020	76,831,698	297,810	32,350	1,200,000	78,361,858
Addition on account of consolidation	-	4,500,000	-	-	4,500,000
At 31st March 2021	76,831,698	4,797,810	32,350	1,200,000	82,861,858

Depreciation*

At 1st April 2019	-	297,810	18,825	402,131	718,766
Charge for the year	-	-	7,425	120,000	127,425
At 31st Mar, 2020	-	297,810	26,250	522,131	846,191
Charge for the year	-	-	6,100	120,000	126,100
At 31st Mar, 2021	-	297,810	32,350	642,131	972,291
Net Block					
As on 31st March 2020	76,831,698	-	6,100	677,869	77,515,667
As on 31st March 2021	76,831,698	4,500,000	-	557,869	81,889,567

Additional information:

(1) Goodwill have arisen on account of Consolidation.

8 Intangible assets under development

	As At 31st March 2021	As At 31st March 2020
CRM Software	100,256,151	100,256,151
Software under development	2,040,000	2,040,000
Website under development	30,000	30,000
Total	102,326,151	102,326,151

9 (A) Right-of-use assets

As At 31st March 2021	As At 31st March 2020
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Due to COVID impacted uncertain circumstances, right to use on leasehold properties could not be recognised.

10 Financial assets - Loans

	As At 31st March 2021	As At 31st March 2020
(a) Non Current Loans (Unsecured, Considered Good)		
Loans to related parties	-	-
Security Deposits *	1,318,990	1,993,850
Loans and advances to employees	-	-
Total Non Current Loans	1,318,990	1,993,850
(b) Current Loans (Unsecured, Considered Good)		
Advances to related parties (subsidiary)	-	-
Advances Recoverable	-	-
Loans and advances to employees	1,844,502	1,831,889
Security Deposits	-	-
Total Current Loans	1,844,502	1,831,889

* Security deposit includes Electricity, telephone and other deposits.



11 Other non-current assets	As At 31st March 2021	As At 31st March 2020
Capital advances (unsecured, considered good)	-	-
Accrued Income	-	-
Prepaid expenses	-	58,402
Total	-	58,402
12 Inventories	As At 31st March 2021	As At 31st March 2020
(valued at lower of cost and net realizable value)		
Stock in Trade	865,956	2,480,076
Total	865,956	2,480,076
Stock in trade represents the value of ERCV amount and the International roaming cards lying idle with the company. The management has taken and valued closing stock in trade at the lower of cost and net realizable value and certified that it has been physically verified at reasonable interval.		
13 Financial assets - Trade receivables	As At 31st March 2021	As At 31st March 2020
Trade receivables	11,519,162	8,678,599
Total	11,519,162	8,678,599
Break-up of security details		
Secured, considered good		
Unsecured, considered good	11,519,162	10,169,162
Doubtful	-	-
Total	11,519,162	10,169,162
Less : Allowance for bad and doubtful debts	1,000,029	1,490,563
Total	10,519,133	8,678,599
Note: Trade receivables have been hypothecated with banks against working capital credit facilities of the Company.		
14 Financial assets - Cash and cash equivalents	As At 31st March 2021	As At 31st March 2020
Balances with banks:		
-In current accounts	784,535	769,367
-in unpaid dividend accounts	71,240	71,240
-Deposits with original maturity of 3 months or less	-	-
Cash in hand	640,380	33,768
Total	1,496,155	874,375
15 Financial assets - Other Bank Balances	As At 31st March 2021	As At 31st March 2020
Deposits with original maturity for more than 3 months but not more than 12 months	250,000	250,000
Total	250,000	250,000

16 Financial assets - Other Current Financial Assets

	As At 31st March 2021	As At 31st March 2020
Balances with banks:		
-In current accounts	784,535	769,367
-in unpaid dividend accounts	71,240	71,240
-Deposits with original maturity of 3 months or less	-	-
Cash in hand	640,380	33,768
Total	1,496,155	874,375

17 Other current assets

	As At 31st March 2021	As At 31st March 2020
Balances with statutory / government authorities	18,312,721	12,817,854
Advance to Supplier	544,523	534,779
Prepaid Expenses	41,496	126,501
Total	18,898,740	13,479,134

18 Share capital

	As At 31st March 2021	As At 31st March 2020
Authorised share capital		
15,000,000 (31 March 2019 : 15,000,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
Total	150,000,000	150,000,000
Issued, Subscribed and fully paid up shares		
1,02,97,600 (31 March 2019 : 1,02,97,600) Equity Shares of Rs. 10/- each, fully paid up	102,976,000	102,976,000
Add: Forfeited Shares - Amount Originally Paid up	-	-
Total	102,976,000	102,976,000

(a) Reconciliation of shares outstanding at the beginning and at the end of reporting period

Particulars	As at 31st March 2021		As at 31st March 2020	
	No.	Rs.	No.	Rs.
Equity Shares at the beginning of the year	1,02,97,600	10,29,76,000.00	1,02,97,600	10,29,76,000.00
Add : Shares issued on exercise of preferential allotment during the year		-		-
Equity Shares at the end of the year	1,02,97,600	10,29,76,000.00	1,02,97,600	10,29,76,000.00

Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends only in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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.

(b) Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March 2021		As at 31st March 2020	
	No.	% Holding	No.	% Holding
(a) Virtual Software and Training Private Limited	3,750,000	36.42%	3,750,000	36.42%
(b) Gokul N Tandan	2,866,725	27.84%	2,866,725	27.84%
Total	6,616,725	64.26%	6,616,725	64.26%

(c) Other details of Equity Shares for a period of five years immediately preceding 31st March 2021

Particulars	As at 31st March 2021	As at 31st March 2020
- Aggregate number of shares allotted as fully paid up pursuant to Contract without payment being received In cash	Nil	Nil
- Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil	Nil
- Aggregate number of shares bought back	Nil	Nil

Note : 19 Other Equity

	As at 31st March 2021	As at 31st March 2020
Capital Reserve	20,00,000	20,00,000
Securities Premium Reserve	75,451,152	75,451,152
Retained earnings(Net of Deficit in Statement of Profit and Loss)	(356,395,223)	(336,458,988)
Total	(278,944,071)	(259,007,836)
(i) Capital Reserve	20,00,000	20,00,000
(ii) Securities Premium Reserve		
Opening Balance	7,54,51,152	7,54,51,152
Add : Adjustment made on consolidation	-	-
Closing Balance	7,54,51,152	7,54,51,152
(iii) Retained earnings(Net of Deficit in Statement of Profit and Loss)		
Opening Balance	(336,458,988)	(308,315,808)
Add : Profit for the year	(32,070,372)	(48,131,365)
Less: Share of Minority in opening Profits	12,048,998	20,460,196
Less: Adjustment due to share change	-	-
Add : Remeasurement of post employment benefit obligation, net of tax	85,140	(472,012)
Less: Income/Deferred Tax relating to earlier years	-	-
Less: Equity Dividend including taxes thereon	-	-
Closing Balance	(356,395,223)	(336,458,988)
(iv) Other Reserves		
Opening Balance	-	-
Add : Change in fair value equity instruments measured at FVOCI	-	-
Closing Balance	-	-

Note : 20 Financial liabilities - Non-Current Borrowings

	As at 31st March 2021	As at 31st March 2020
Term Loans from Banks	1,900,000	-
Term Loans from Others	-	-
Total (A)	1,900,000	-
Unsecured Loans		
Loans from Directors	353,307,995	319,487,995
Term Loans from Others Relative party	-	-
Other Loan	208,923	2,000,000
Total (B)	353,516,918	321,487,995
Total Borrowings [C=A+B]	355,416,918	321,487,995
Current Maturities	-	-
Non-current	355,416,918	321,487,995

Note : 21 Provisions

	As at 31st March 2021	As at 31st March 2020
Provision for gratuity	3,809,356	4,195,299
Provision for Leave Encashment	1,009,794	867,961
Total	4,819,150	5,063,260
Current	294,334	270,961
Non-current	4,524,816	4,792,299

Note : 22 Current borrowings

	As at 31st March 2021	As at 1st March 2020
Working capital facilities from Banks	10,062,830	9,902,006
Working capital facilities from Others	-	-
Unsecured Loans		
Current Maturity of other loans	-	-
Bills discounted from Bank	-	-
Loan from Directors	300,000	300,000
Total	10,362,830	10,202,006

Note:

i) The Company has not defaulted in the repayment of borrowings and interest as at Balance Sheet date.

Note : 23 Financial liabilities - Trade Payables

	As at 31st March 2021	As at 1st March 2020
Current		
Total outstanding dues of micro & small enterprises*	67,500	67,500
Others	10,811,591	6,708,724
Total	10,879,091	6,776,224

* In the absence of information about registration of such enterprises under the said Act, the details of dues to Micro & Small Enterprises have been furnished to the extent such parties have been identified by the Company based on information made available by them.

Note : 24 Other financial liabilities

	As at 31st March 2021	As at 1st March 2020
Current Maturities of Non-Current Borrowings	-	-
Unclaimed Dividend	71,240	71,240
Security Deposits	10,000	407,297
Other Payables	540,867	-
Total	622,107	478,537

25 Other current liabilities	As at 31st March 2021	As at 1st March 2020
Expenses Payable	61,904	292,060
Audit Fee Payable	225,000	225,000
Salary payable	2,927,710	3,472,086
Provision for Expenses	49,766	107,981
Other liabilities	14,260,850	15,242,455
Statutory Dues Payable	10,636,720	6,904,571
Total	28,161,950	26,244,153
26 Revenue from operations	31st March 2021	31st March 2020
Sales of Products	25,461,700	55,522,495
Total	25,461,700	55,522,495
27 Other Income	31st March 2021	31st March 2020
Interest Received	2,399,827	310,989
Interest Income from financial assets carried at amortised cost	-	106,277
Miscellaneous Receipts	-	3,302,058
Total	2,399,827	3,719,324
28 Purchase of Stock in Trade /Service	31st March 2021	31st March 2020
Purchases	14,450,431	43,423,221
Total cost of purchase of stock in trade [A]	14,450,431	43,423,221
29 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	31st March 2021	31st March 2020
Opening Stock of Finished Goods	2,480,076	2,612,632
Less: Closing Stock of Finished Goods	865,956	2,480,076
Total (A)	1,614,120	132,556
Opening Stock of Work-in-Progress	-	-
Less: Closing Stock of Work-in-Progress	-	-
Total (B)	-	-
Total Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [A+B]	1,614,120	132,556
30 Employee Benefit Expenses	31st March 2021	31st March 2020
Director's Remuneration	600,000	604,307
Salaries, Wages, Bonus and Other Benefits	19,776,761	32,755,406
Gratuity	1,128,952	803,129
Leave Compensation	323,816	220,242
Contribution to Provident and Other Funds	177,953	390,191
Workmen and Staff Welfare Expenses	149,449	549,814
Total	22,156,931	35,323,089

31 Finance Costs	31st March 2021	31st March 2020
Interest Expenses	1,711,876	2,178,405
Other Financial Charges	-	4,534
Total	1,711,876	2,182,939
32 Depreciation and amortization expenses	31st March 2021	31st March 2020
Depreciation on Property Plant & Equipment (Read with Note No. 7)	141,452	1,786,186
Depreciation on Investment Property (Read with Note No. 8)	3,778,792	3,141,927
Amortisation of Intangible assets (Read with Note No. 9)	-	127,425
Total	3,920,244	5,055,538
33 Other Expenses	31st March 2021	31st March 2020
Admin Charges	-	-
Advertisement and Publicity	339,521	1,441,212
Auditors' Remuneration & Refreshment	250,000	250,000
Bad Debt Written off	1,529,034	3,413,901
Bank Charges	47,907	640,786
Communication Expense	988,175	1,640,102
Conveyance Expenses	1,251,866	3,650,051
Customers Clearness Expense	20,457	30,844
Director Sitting Fees	70,000	30,000
Diwali Expenses	32,234	133,236
Domain Charges	72,664	139,412
Exchange Fluctuation	1,331	30,485
Fees and Penalty	2,625	72,032
Fees, Rates and Taxes	924,029	924,462
Freight & Cartage Outward (Net)	101,534	341,675
Insurance Charges	235,724	334,102
Interest on TDS & GST	36,100	28,237
Legal & Professional Fees	2,424,525	3,048,968
Misc. Expenses	122	499
Office Expenses	332,931	238,314
Other Expense	11,967	43,965
Power & Fuel Charges	616,792	838,393
Project Expenses	3,150,000	-
Printing & Stationery	47,256	270,650
Rent & Hire Charges	2,811,500	1,491,776
Staff Recruitment Expenses	66,757	745,560
Repair and Maintenance Other Assets	415,980	587,340
Selling Expenses	156,301	889,839
Total	15,937,332	21,255,841

34 Exceptional Items	31st March 2021	31st March 2020
Profit on Sale of Property, plant and equipment (Net)	140,965	-
Total	140,965	-
Payment to auditor	31st March 2021	31st March 2020
i) Audit fees	250,000	250,000
ii) Fees for income tax matters	-	-
iii) Certification charges & others	-	-
Total	250,000	250,000
*Corporate Social Responsibility Expenses	31st March 2021	31st March 2020
Gross Amount required to be spent by the Company (as per Section 135 of Companies Act, 2013)	-	-
Amount spent during the year		
i) Construction/acquisition of any assets	-	-
ii) On purposes other than (i) above		

35 Employee benefit obligations

(A) Defined benefit plans

Gratuity:

Provision for gratuity is determined by actuaries using the projected unit credit method."

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

(i) Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity Funded	Leave Encashment
Defined benefit obligation at 1st April 2019	3,098,600	626,039
Interest expense	216,902	43,822
Current service cost	586,227	176,420
Benefits paid	(55,385)	(101,377)
Actuarial (gain)/ loss	348,955	123,057
Defined benefit obligation at 31 March 2020	4,195,299	867,961
Interest expense	216,902	60,757
Current service cost	586,227	178,383
Benefits paid	(55,385)	(209,876)
Actuarial (gain)/ loss	348,955	112,569
Defined benefit obligation at 31 March 2021	5,291,998	1,009,794

(ii) The amount to be recognized in the Balance Sheet:

Particulars	Gratuity Funded	Leave Encashment
Balance in balance sheet as provision as at 1st April 2019	3,098,600	626,039
Present value of obligation	4,195,299	867,961
Fair value of plan assets	-	-

Net (assets) / liability recognized in balance sheet as provision as at 31 March 2020		
	4,195,299	867,961
Present value of obligation	5,291,998	1,009,794
Fair value of plan assets	-	-
Net (assets) / liability recognized in balance sheet as provision as at 31 March 2021		
	5,291,998	1,009,794
(iii) Amount recognised in Statement of Profit and Loss:		
Particulars		
	Gratuity Funded	Leave Encashment
Interest Cost	216,902	43,822
Current service cost	586,227	176,420
Amount recognised in Statement of Profit and Loss for year ended 31 March 2020		
	803,129	220,242
Interest Cost	216,902	60,757
Current service cost	586,227	178,383
Amount recognised in Statement of Profit and Loss for year ended 31 March 2021		
	803,129	239,140
(iv) Amount recognised in Other Comprehensive Income:		
Particulars		
	Gratuity Funded	Leave Encashment
Actuarial (gain)/ loss on obligations	53,842	123,057
Actuarial (gain)/ loss on plan assets	-	-
Amount recognised in Other Comprehensive Income for year ended 31 March 2020	53,842	123,057
Actuarial (gain)/ loss on obligations	402,797	112,569
Actuarial (gain)/ loss on plan assets	-	-
Amount recognised in Other Comprehensive Income for year ended 31 March 2021	402,797	112,569
(v) Changes in the fair value of plan assets are as follows:		
Particulars		
	Gratuity Funded	Leave Encashment
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2020	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss)	-	-
Fair value of plan assets at 31 March 2021	-	-
(vi) The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:		
Particulars	31st March, 2021	31st March, 2020
Investment Details	Gratuity	Gratuity
Investment with Insurer	0%	0%

(vii) The principal assumptions used in determining gratuity & leave encashment obligations for the Company's plans are shown below:

Gratuity & Leave Encashment

Particulars	31st March, 2021	31st March, 2020
Average Past Service (Years)	9.90	11.80
Average remaining working life (Years)	19.00	18.60
Average Age (Years)	39.00	39.40
Weighted average duration (Years) - Gratuity	14.00	13.00
Weighted average duration (Years) - Leave Encashment	23.00	24.00
Discounting rate	7.00% PA	7.00% PA
Salary Growth Rate	5.00% PA	5.00% PA

(viii) Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase rate. Effect of change in mortality rate is negligible. Please note that the sensitivity analysis presented below may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated. The results of sensitivity analysis are given below:

Particulars	31st March, 2021		31st March, 2020	
	Gratuity Funded	Leave Encashment	Gratuity Funded	Leave Encashment
Liability with 1% increase in Discount Rate	3,784,753	908,358	3,784,753	779,076
Liability with 1% decrease in Discount Rate	4,678,798	1,129,957	4,678,798	973,818
Liability with 1% increase in Salary Growth Rate	4,683,676	1,131,195	4,683,676	974,891
Liability with 1% decrease in Salary Growth Rate	3,773,854	905,664	3,773,854	776,736

(B) Defined contribution plans	31 March 2021	31 March 2020
Employer's Contribution to Provident Fund	125,662	213,409
Employer's Contribution to ESI	52,291	176,782
Employer's Contribution to NPS	-	-
Total	177,953	390,191

36 Segment information

The Company's operations predominately relate to Cables and accordingly this is the only reportable segment as per Ind AS 108 "Operating Segments".

Geographical Information

Particulars

	31st March 2021	31st March 2020
1. Revenue from external customers		
- Within India	25,461,700	55,522,495
- Outside India	-	-
Total revenue per statement of profit and loss	25,461,700	55,522,495
The revenue information above is based on the locations of the customers		
2. Non-current operating assets		
- Within India	188,410,211	191,095,496
- Outside India	-	-
Total	188,410,211	191,095,496

Non-current operating assets for this purpose consist of property, plant and equipment, CWIP, investment properties and intangible assets.

37 A. Related Party Disclosures:

In accordance with the requirements of Ind AS - 24 'Related Party Disclosures' the names of the related parties where control exists/ able to exercise significant influence along with the aggregate transactions and year end balances with them as identified by the management in the ordinary course of business and on arms' length basis are given below:

(a) Subsidiary Companies :

Roam1 Telecom Limited

(b) Key Management Personnel (KMP):

Mr. Gokul N Tandan	Chairman cum Managing Director
Mr. Rajendra V. Kulkarni	Director
Ms. Ashima Puri	Director
Mr. Srinivas Chandan	Director
Ms. Mukta Ahuja	Company Secretary
Mr. Athar Ahmad	Chief Financial Officer

(c) Enterprises over which KMP/ relatives of KMP exercise significant influence :-

M/S.HEAL YOUR PAWS PET SERVICES LLP	GOKUL N TANDAN IS DESIGNATED PARTNER
M/S GOTO CUSTOMER SERVICES PVT LTD	GOKUL N TANDAN IS DIRECTOR
M/S VIRTUAL SOFTWARE & TRAINING PVT LTD.	GOKUL N TANDAN IS DIRECTOR
M/S ENHANCED COMMUNICATIONS & TECHNOLOGIES PVT LTD	GOKUL N TANDAN IS DIRECTOR
M/S ROAM1 TELECOM LIMITED	GOKUL N TANDAN IS DIRECTOR
M/S. CLOUDCONNECT COMMUNICATIONS PRIVATE LIMITED	GOKUL N TANDAN IS DIRECTOR
M/S PRIME VALVES INDIA LLP	RAJENDRA V. KULKARNI IS DESIGNATED PARTNER
M R CAPITAL PVT LTD	RAJENDRA V. KULKARNI IS DIRECTOR
M/S VIJAY STAMPINGS PVT LTD	RAJENDRA V. KULKARNI IS DIRECTOR



M/S MARBLE ARCH ESTATE PRIVATE LIMITED	RAJENDRA V. KULKARNI IS DIRECTOR
M/S VIRTUAL SOFTWARE & TRAINING PVT LTD.	RAJENDRA V. KULKARNI IS DIRECTOR
M/S ROAM1 TELECOM LIMITED	RAJENDRA V. KULKARNI IS DIRECTOR
M/S. CLOUDCONNECT COMMUNICATIONS PRIVATE LIMITED	RAJENDRA V. KULKARNI IS DIRECTOR
M/S. EMPYREAN BEVERAGES PRIVATE LTD.	RAJENDRA V. KULKARNI IS DIRECTOR
M/S. ROAM1 TELECOM LIMITED	ASHIMA PURI IS DIRECTOR

B. Related Party Transactions:

Particulars	Subsidiary		KMP		Other Related Parties		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Short-term Employee Benefits	-	-	-	-	-	-	-	-
Interest Paid/Payable	-	-	-	-	-	-	-	-
Lease Rent Paid/Payable	-	-	-	-	1.80	1.80	1.80	1.80
Interest Received/Receivable	-	-	-	-	-	-	-	-
Director's Remuneration	-	-	6.00	6.15	-	-	6.00	6.15
Professional Fee	-	-	-	-	13.59	15.00	13.59	15.00
Reimbursement of Expenses	-	-	2.63	4.98	-	-	2.63	4.98
Rent Received/Receivable	-	-	-	-	-	-	-	-
JobWork Charges Paid/Payable	-	-	-	-	-	-	-	-
Purchases	-	-	-	-	-	-	-	-
Sales	-	-	-	-	-	-	-	-
Sale of PPE	-	-	-	-	-	-	-	-
Purchase of PPE	-	-	-	-	-	-	-	-
FINANCE	-	-	-	-	-	-	-	-
Unsecured Loans Received	-	-	254.00	351.00	-	-	254.00	351.00
Unsecured Loans Paid back	-	-	10.00	9.50	-	-	10.00	9.50
Unsecured Loans Received Back	-	-	-	-	-	-	-	-
Short Term Loans Paid	-	-	-	-	-	-	-	-
Short Term Loans Received Back	-	-	-	-	-	-	-	-
Advances Paid	-	-	-	-	-	-	-	-
Advances Received Back	-	-	-	-	-	-	-	-
Corporate guarantee given	-	-	-	-	-	-	-	-

All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. For the year ended 31 March 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil).

38 Detail of loans given, Investment made and guarantee given covered U/s 186(4) of the Companies Act, 2013

Particulars	31st March 2021	31st March 2020
(a) Loan given by the Company for general business purposes as at balance sheet date :	-	-
(b) Corporate guarantee given by the Company as at balance sheet date : For securing the credit facilities sanctioned to subsidiary company	-	-

39 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to the equity shareholders of the company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the profit and share data used in the basic and diluted EPS computation:

Particulars	31 March 2021	31 March 2020
Profit for the year	(20,021,374)	(27,671,169)
Weighted average number of equity shares in calculating basic EPS (absolute value in number)	10,297,600	10,297,600
Effect of dilution		-
Weighted average number of equity shares in calculating diluted EPS (absolute value in number)	10,297,600	10,297,600
Earnings per share		
- Basic (on nominal value of Rs. 10 per share) Rs./ share	(1.94)	(2.69)
- Diluted (on nominal value of Rs. 10 per share) Rs./ share	(1.94)	(2.69)

40 Leases

Operating Lease

Company as a lessee:

The Company has taken certain vehicles and immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Company as a lessor:

The Company has given certain immovable properties on operating lease. All operating leases entered into by the Company are cancelable on giving notice of one to three months.

Finance Lease

The company does not have any finance lease as at March 31, 2018.

41 Contingent liabilities

Contingent Liabilities are not provided for in the accounts and are disclosed by way of notes herein below :

42 Going Concern Basis

The company has accumulated losses of Rs.27,84,27,781/- as at 31st March, 2019 and its net worth as at that date is minus Rs. 12,78,88,656/-. Although these events or conditions may cast significant doubt on the Company's ability to continue as going concern, it has detailed plan for renewal of its operations. Accordingly the financial statements have been prepared on the basis that the company is a going concern and that adjustment are required to the carrying value of assets and liabilities.

43 Reconciliation and confirmations

Balances of debtors and creditors and loans and advances to/from parties, security deposits are subject to reconciliations and confirmations.

44 Provision for tax

In view of the carried forward losses, no provision for current tax have been made during the year. Provision for Deferred tax has also not been recognized in the Balance Sheet in view of the fact that there exists no virtual certainty supported by convincing evidence that there will be available sufficient future profits against which such deferred tax asset can be adjusted.

45 Intangible assets under development

The company is developing a CRM software called Live Webcast Suite for providing telecom services and a Website. No amount has been capitalized during the year. The management is of the opinion that since the process is still going on & hence no amortization is required during this year

46 Other Disclosures

- The company has not received any Government Grants during the year
- As at year end, there was no amount due to any small scale industrial undertaking
- Figures are rounded off to nearest rupee.

47 Financial Instruments measurements and disclosures

(a) Financial instruments by category :

Particulars	31st March 2021			31st March 2020		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Non-current						
Investment	-	-	-	-	-	-
Loans	-	-	1,318,990	-	-	1,993,850
Current						
Trade receivables	-	-	10,519,133	-	-	8,678,599
Cash and cash equivalents	-	-	1,496,155	-	-	874,375
Other bank balances	-	-	250,000	-	-	250,000
Loans	-	-	1,844,502	-	-	1,831,889
Total	-	-	15,428,780	-	-	13,628,713
Financial liabilities						
Non-current						
Borrowings	-	-	321,487,995	-	-	321,487,995
Other Financial Liabilities	-	-	2,292,182	-	-	2,292,182
Current						
Borrowings	-	-	10,202,006	-	-	10,202,006
Trade payables	-	-	6,776,224	-	-	6,776,224
Other financial liabilities	-	-	3,493,387	-	-	3,493,387
Total	-	-	344,251,794	-	-	344,251,794

(b) Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of financial assets and liabilities carried at amortised cost are reasonable approximation of their fair value.

(c) Fair value hierarchy :

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measurement as whole.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following table presents assets and liabilities measured at fair value at 31 March 2021 and 31 March 2020:

Particulars	31st March 2021			31st March 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets for which fair values are disclosed						
Investment Property	-	-	-	-	-	-
Financial assets:						
Measured at fair value						
Financial investments at FVTOCI						
Listed Equity investments	-	-	-	-	-	-
Financial assets at amortised cost						
Advances to related parties	-	-	-	-	-	-
Loans to employees	-	-	-	-	-	-
Security Deposits	-	-	1,318,990	-	-	1,993,850
	-	-	1,318,990	-	-	1,993,850
Financial liabilities:						
Measured at fair value						
Financial liabilities at amortised cost						
Borrowings	-	365,779,748	-	-	331,690,001	-
Financial Guarantee Obligation	-	-	-	-	-	-
	-	365,779,748	-	-	331,690,001	-

There are no transfers among levels 1, 2 and 3 during the year.

To,



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