

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF NORTCELE SYSTEMS PRIVATE LIMITED****Report on the Financial Statements**

We have audited the accompanying financial statements of **NORTCELE SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020 and the Statement of Profit and Loss for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act, as applicable.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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, 2020, and its profit for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting on the operating effectiveness of the Company's internal financial controls over financial reporting on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

NIDHI SAJAN & CO

Chartered Accountants

No 39, opal akshaya, 9th Cross Road, Akshaynagar East,
Bangalore 560076

2. We state that the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, on the matters specified in paragraphs 3 and 4 of the Order, is not applicable since the company is a private limited company, not being a subsidiary or holding of a public company, having a paid up capital and reserves and surplus not more than one crore rupees as on the balance sheet date and which does not have total borrowings exceeding rupees one crore from any bank or financial institution at any point of time during the financial year and which does not have a total revenue as disclosed in Schedule III to the Companies Act, 2013 exceeding rupees ten crores during the financial year as per the financial statements.

For NIDHI SAJAN & CO
Chartered Accountants
(Firm's Registration No 325664E)

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(Nidhi Agarwal)
(Partner)
(Membership No. 062672)

Place : Bangalore
Date: 15th December, 2020
UDIN : 21062672AAAABY9277

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 **NORTCELE SYSTEMS PRIVATE LIMITED** (“the Company”) as of March 31, 2020 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.

Auditor’s 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 NIDHI SAJAN & CO

Chartered Accountants

(Firm's Registration No.325664E)

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(Nidhi Agarwal)

(Partner)

(Membership No. 062672)

Place: Bangalore

Date: 15th December, 2020

UDIN : 21062672AAAABY9277

NORTCELE SYSTEMS PRIVATE LIMITED
Balance Sheet as at March 31, 2020

Particulars		Note No.	Year ended March 31,2020	Year ended March 31,2019
I.	EQUITY & LIABILITIES			
	Shareholders' funds			
	(a) Share capital	1	1,00,000	
	(b) Reserves and surplus	2	(50,301)	
	Non-current liabilities		49,699	
	(c) Long-term borrowings (Secured loan) From Banks		-	
	(d) Long-term borrowings (Unsecured loan) From shareholder Others		- - -	
	Current liabilities			
	(e) Other current liabilities and short- term provisions	4	5,000	
	(f) Deferred tax liability	3	-	
	TOTAL		54,699	
II.	ASSETS			
	(a) Fixed assets		-	
	(b) Deferred tax asset		-	
	(c) Current assets	5	54,699	
	TOTAL		54,699	
	See accompanying notes forming part of the financial	9 & 10		

In terms of our report attached

For Nidhi Sajan & Co

Chartered Accountants

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Nidhi Agarwal
Partner

For and on behalf of the Board of Directors

Deepa Singh
Director

Aryan Singh
Director

Place: Bangalore

Date: 15th December, 2020

UDIN - 21062672AAAABY9277

NORTCELE SYSTEMS PRIVATE LIMITED
Statement of Profit and loss for the period ended March 31, 2020

Particulars	Note No	Amount (Rs)	
		Year ended March 31,2020	Year ended March 31,2019
INCOME			
Revenue from operations and other income	6	-	-
Total revenue		-	-
Expenses:			
Cost of Goods Sold		-	-
Employee benefit expenses	7	16,000	-
Administrative and other expenses	8	34,301	-
Depreciation		-	-
Total expenses		50,301	-
Profit before tax		(50,301)	-
Tax expense:			
(a) Current tax - MAT provision		-	-
Less: MAT provision carried forward		-	-
		(50,301)	-
(b) Deferred tax		-	-
Profit for the year		(50,301)	-
BALANCE BROUGHT FORWARD FROM PREVIOUS YEAR		-	-
BALANCE CARRIED TO BALANCE SHEET		(50,301)	-
Earnings per equity share:			
Basic and diluted earnings per share of Rs 10 each		(5.03)	-
See accompanying notes forming part of the financial statement	13 & 14		

In terms of our report attached.

For Nidhi Sajan & Co

Chartered Accountants

NIDHI
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 Nidhi Agarwal
 Partner

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 Date: 2021.02.20
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For and on behalf of the Board of Directors

Deepa Singh
 Director

Aryan Singh
 Director

Place: Bangalore

Date: 15th December, 2020

UDIN - 21062672AAAAABY9277

NORTCELE SYSTEMS PRIVATE LIMITED
Notes forming part of Financial Statements

Note 1 : Share capital

Amount (Rs)

Particulars	Year ended March 31,2020		Year ended March 31,2019	
	Number of Shares	Amount	Number of Shares	Amount
Authorised				
Equity shares of Rs.10 each	1,00,000	10,00,000	-	-
Issued, subscribed and fully paid up				
Equity shares of Rs.10 each	10,000	1,00,000	-	-
Total	10,000	1,00,000		

1.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Number	Amount in (Rs)
Equity shares with voting rights		
Equity shares outstanding at the beginning of the year	-	-
Equity shares issued during the year	10,000	1,00,000
Equity shares bought back during the year	-	-
Equity shares outstanding at the end of the year	10,000	1,00,000

1.2 Shares in the company held by each shareholder holding more than 5 percent shares:

Class of shares / Name of shareholder	Year ended March 31,2020		Year ended March 31,2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares				
Deepa Singh	5,000	50%	5,000	50%
Aryan Singh	5,000	50%	5,000	50%
	-	-	-	-

1.3 Terms / Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of Rs. 10/- per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. 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.

Note 2: Reserves and surplus

Amount (Rs)

Particulars	Year ended March 31,2020	Year ended March 31,2019
a. Share premium (opening balance)	-	-
b.Surplus in Statement of Profit and Loss		
Opening balance	-	-
Add: Net profit for the current year	(50,301)	-
	(50,301)	-
Closing balance	(50,301)	-

NORTCELE SYSTEMS PRIVATE LIMITED
Notes forming part of Financial Statements

Note 3 : Deferred tax liability

Particulars	Year ended March 31,2020	Year ended March 31,2019
Timing difference due to written down value of fixed assets	-	
Total	-	

Note 4 : Other current liabilities and short-term provisions

Particulars	Year ended March 31,2020	Year ended March 31,2019
Audit fee payable	5,000	
Total	5,000	

Note 5 : Current assets

Particulars	Year ended March 31,2020	Year ended March 31,2019
<u>Cash and bank balances</u>		
Cash on hand	50,000	
Cash at bank - in current account	4,699	
Total	54,699	

NORTCELE SYSTEMS PRIVATE LIMITED
Notes forming part of Financial Statements

Note 6 : Revenue from operation

Particulars	Year ended March 31,2020	Year ended March 31,2019
Sales of products and services	-	
Misc Income	-	
Total	-	

Note 7 : Employee benefit expense

Particulars	Year ended March 31,2020	Year ended March 31,2019
Salaries and stipend expense	16,000	
Director's Remuneration	-	
Total	16,000	

Note 8 : Administrative and other expenses

Particulars	Year ended March 31,2020	Year ended March 31,2019
Rent expense	29,000	
Bank Charges	301	
Audit Fees (Refer note (i) below)	5,000	
Total	34,301	

Note (i)

<u>Auditor Remuneration (current year exclusive of service tax)</u>	Year ended March 31,2020	Year ended March 31,2019
For statutory audit	5,000	
For taxation matters and other matters	-	
For other matters	-	
Total	5,000	

NORTCELE SYSTEMS PRIVATE LIMITED
Notes forming part of Financial Statements

9 Corporate information

The operation of the company is to carry the business of software developing service . The company has been incorporated on 16.12.2019. The company is having its registered office in the state of Karnataka.

10 Significant accounting policies

10.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") , as applicable. The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year .

The company is a Small and Medium Sized company as defined in the General Instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the company has complied with the Accounting Standards as applicable to a "Small and Medium Sized Company" and should also modify the accounting policies suitably.

10.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

10.3 Cash and cash equivalents (for purposes of Cash flow statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

10.4 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

'Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

'Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

10.5 There are no outstanding for more than 30 days dues to Micro and Small Enterprises as per Micro Small and Medium Enterprises Development Act, 2006 as at the balance sheet date, which is on the basis of such parties having been identified by the management and relied upon by the auditors.

10.6 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

10.7 The liability towards short-term benefit obligation recognised as expenses for the year in the Statement of profit and loss. There is no leave encashment policy and therefore the relevant provisions of AS 15 do not apply. The provisions of the Payment of Gratuity Act 1972 do not apply to the company in the current year.

10.8 Profit and loss account

All the income and expenditure are accounted generally on accrual basis

10.9 Sales

Sales comprises , Software development and Sales of licenses and related services

10.10 Fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. Cost comprises of direct costs, related taxes, duties, freight and any other directly attributable cost of bringing the asset to its working condition for its intended use.

10.11 Depreciation

Depreciation on tangible fixed assets is to be provided on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013 .

10.12 Inventories

The raw-materials purchased and finished goods manufactured by the company are valued at cost or realizable value whichever is lower and ascertained by this management.

10.13 Investments

Investments are carried at cost

10.1 Foreign currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transactions profit and loss is taken to the profit and loss account as exchange fluctuations. The party sells its items to 100% EOU.

10.15 Related party transactions

i) Name of related parties where control exists irrespective of whether transactions have occurred or not
NIL

10.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

i) Claims against the company not acknowledged as debt- NIL (Previous Year NIL)

(As certified by the management)

(ii) Estimated amount of contracts remaining to be executed on capital account and not provided for Rs.NIL (Previous Year NIL)

10.17 Unbilled cost

The cost incurred for software , the benefit for which will accrue and arise in next year has been considered as unbilled cost .

10.18 Previous period figures have been regrouped/recasted for the year .

Signature to Schedule 1 to 10

For Nortcele Systems Pvt Ltd

Deepa Singh
Director

Aryan Singh
Director

Place: Bangalore
Date: 15th December, 2020
UDIN - 21062672AAAABY9277