

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2020
Note No. 1:**A. Significant Accounting Policies:****1. Basis of Accounting and Preparation of Financial Statements:**

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements correspond to the classification provisions contained in Ind AS 115, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

All amounts included in the financial statements are reported in Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. Previous year figures have been regrouped/re-arranged, wherever necessary.

- a. The financial statements have been prepared under the historical cost conversion and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and relevant, presentational requirements of the Companies Act, 2013.
- b. Accounting policies not specifically referred to are consistent and in consonance with Generally Accepted Accounting Principles followed by the Company. The company has prepared these financial statements to comply in all material respects with the Companies (Accounts) Rules 2014 and the relevant provisions of the Companies Act, 2013.
- c. The Preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and losses on going software projects, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates are made for expected contract cost to be incurred to complete software development and the useful life of fixed assets. Actual could differ from these estimates.

2. Fixed Assets and Depreciation :

Fixed Assets are stated at cost after providing the depreciation in the Hardware & Software and other fixed assets. Depreciation has been provided on WDV Basis.

3. Revenue Recognition

The Company derived its revenues primarily from software services, educational software in the form of e-content and software products. Revenue from time and material contract is recognized on the basis of software developed and billed in accordance with the terms of the contract, under the percentage of completion method.

4. Taxation :

Taxation is accounted on the basis of the Liability Method which is generally followed in India. Provision is made for income tax based on computations after considering rebates, relief(s) and exemptions under the Income Tax Act, 1961.

The Provident Fund and Superannuation Schemes are defined contribution plans for which contribution accruing each year as per the scheme is expensed as applicable.

5. Retirement Benefits :

The Company has not provided for gratuity amount. It will be paid and accounted as and when the liability arises. Salaries and all allowances include amount paid to employees.

NOTES TO FINANCIAL STATEMENTS

B. Notes to Financial Statements:

- i. Figures have been rounded off to the nearest rupee.
- ii. Notes 1 to 18 consists of forming part of Balance Sheet and Profit and Loss account.
- iii. All figures are in Rupees. Paise have been rounded to nearest Rupee.
- iv. Previous year figures are regrouped and rearranged wherever necessary.
- v. In the opinion of the management all current assets including loans and advances would in the normal course of business be realized to the value stated.

6. Quantitative details :

The company is engaged in the business of development of Software and Software Products which includes E-education content. The production and sale of Software is not capable of being expressed in any generic unit. Hence it is not possible to give the quantitative details of such sale and the information required under the relevant provisions of the Companies Act, 2013.

7. Foreign Currency Transactions :

The Company has earned a Foreign Exchange of Rs. 1,33,19,997 (Previous Year – Rs. 6,67,01,787) during the year. The Company has incurred an expenditure of Rs. 85,94,403 (Previous Year – Rs. 4,58,12,173)

8. Segments :

The Company is engaged primarily in the business of Software Development IT/ITES, E-education software and accordingly there are no separate reportable segments as per Accounting Standard - AS 17 - Segment Reporting issued by ICAI.

9. Provisions :

Depreciation as per Companies Act:	Rs. 4,48,34,508
Depreciation as per Income Tax Act:	Rs. 4,51,02,156
Timing Difference:	Rs. 2,67,648
Provision for Deferred Tax:	Rs. 77,939

10. Earnings per Share :

Basic and Diluted Earnings per share is calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year and shown in the Profit and loss account.

11. Audit Fees for the year is Rs. 1,25,000 and Previous year Rs. 1,25,000.

12. 'Related Party' Disclosures as per Accounting Standard 18 :

1. Nature of related party and its relationship: There are no related party transactions during the year.
2. Nature and Volume of transactions carried out with the above related parties in the ordinary course of business for the year ended 31st March 2020.

Sr. No	Particulars	Related Party
1	Salaries & Other Amenities	Nil

NOTES TO FINANCIAL STATEMENTS

NOTE 2: FIXED ASSETS

Amount (Rs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Balance as at 01.04.2019	Additions	Deletions	Total as at 31.03.2020	Up to 01.04.2019	For the Year	Deletions	As at 31.03.2020	As at 30.03.2020	As at 31.03.2019	
Tangible Assets											
Computers	69,75,669	-	5,81,810	63,93,859	49,89,406	13,04,138	-	62,93,544	1,00,315	19,86,263	
Electrical Equipment	39,00,053	-	-	39,00,053	22,22,504	4,25,401	-	26,47,905	12,52,148	16,77,549	
Air Conditioners	56,27,451	-	-	56,27,451	32,54,672	4,39,186	-	36,93,858	19,33,593	23,72,779	
Furnitures & Fixtures	90,72,295	-	-	90,72,295	54,59,011	9,34,040	-	63,93,051	26,79,244	36,13,284	
Office Equipment	27,81,432	-	-	27,81,432	14,90,192	5,87,522	-	20,77,714	7,03,718	12,91,240	
Software and IPR's	11,20,00,000	-	-	11,20,00,000	10,64,00,001	94,165	-	10,64,94,166	55,05,834	56,00,000	
Knowledge Based Content	5,50,00,000	-	-	5,50,00,000	5,22,50,000	-	5,22,50,000	-	5,50,00,000	27,50,000	
Software and IPR's	8,03,76,261	-	-	8,03,76,261	7,55,12,610	8,44,838	-	7,63,57,448	40,18,813	48,63,651	
Softwares & IPR's	2,99,82,818	-	-	2,99,82,818	1,96,13,203	50,16,868	-	2,46,30,071	53,52,747	1,03,69,615	
Softwares & IPR's	7,50,00,000	-	-	7,50,00,000	20,76,483	3,51,88,350	-	3,72,64,833	3,77,35,167	7,29,23,517	
Total	38,07,15,979	-	5,81,810	38,01,34,169	27,32,68,082	4,48,34,508	5,22,50,000	26,58,52,590	11,42,81,579	10,74,47,897	
Intangible Assets:											
Goodwill	8,38,25,707	0	0	8,38,25,707	0	0	0	0	8,38,25,707	8,38,25,707	
Total	8,38,25,707	0	0	8,38,25,707	0	0	0	0	8,38,25,707	8,38,25,707	
Grand Total	46,45,41,686	0	5,81,810	46,39,59,876	27,32,68,082	4,48,34,508	5,22,50,000	26,58,52,590	19,81,07,285	19,12,73,604	
Previous Year	46,50,94,440	0	5,52,754	46,45,41,686	31,41,31,369	3,09,11,831	7,17,75,118	27,32,68,082	19,12,73,603	15,09,63,071	

NOTES TO FINANCIAL STATEMENTS

Particulars	Amount (Rs)	
	As at 31.03.2020	As at 31.03.2019
NOTE 3 : NON - CURRENT INVESTMENTS		
Long term Investments (At cost, fully paid-up)		
(a) Investment in Equity Instruments:		
Five X Finance & Investment Limited (1,703,007 shares) (Equity shares of Rs.10 each face value)	1,78,38,999	1,78,38,999
Total	1,78,38,999	1,78,38,999
Aggregate amount of quoted investments (At an Investment value of Rs. 17,838,999/-, Previous year Rs.17,838,999/-)	1,78,38,999	1,78,38,999
NOTE 4: TRADE RECEIVABLES		
Sundry Debtors		
Debts outstanding for a period exceeding six months	-	-
- Unsecured Considered Good		
- Unsecured Considered Doubtful		
Other Debts		
- Unsecured Considered Good	1,05,65,770	6,44,00,225
- Unsecured Considered Doubtful		
Total	1,05,65,770	6,44,00,225
NOTE 5: INVENTORIES		
Inventories	55,21,300	0
Total	55,21,300	0
NOTE 6 : CASH & BANK BALANCES		
(a) Cash & Cash Equivalents		
Cash on hand (As certified by Director / Management)	5,000	5,000
(b) Other Bank Balances		
With Scheduled Banks	3,70,642	1,39,265
With Deposit Accounts		
Total	3,75,642	1,44,265
NOTE 7 : SHORT TERM LOANS & ADVANCES		
Short Term Loans and Advances (Unsecured- Considered good unless otherwise than stated)		
Advances Recoverable in Cash or in kind or for Value to be received		
Considered Good	3,23,33,042	4,08,65,316
Total	3,23,33,042	4,08,65,316

NOTES TO FINANCIAL STATEMENTS

NOTES TO BALANCE SHEET

Amount (Rs)

NOTE 8 : EQUITY SHARE CAPITAL

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of shares	Rs.	No. of shares	Rs.
(a) Authorized Share Capital				
Equity shares of Rs. 10 each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
(b) Issued, Subscribed and fully Paid up				
Equity shares of Rs. 10 each fully paid	1,04,02,755	10,40,27,550	1,04,02,755	10,40,27,550
Total Equity Share capital	1,04,02,755	10,40,27,550	1,04,02,755	10,40,27,550

(c) Details of shareholders holding more than 5% of shares

Name of Shareholder	Equity Shares		Equity Shares	
	As at 31 March, 2020		As at 31 March, 2019	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Firstcall India Equity Advisors Pvt. Limited	42,94,806	41.29	42,94,806	41.29
Sastry, V.S.R.	11,13,863	10.70	11,13,863	10.70
Sriram Kumar.	5,22,705	5.02	5,22,705	5.02

(d) The reconciliation of the number of shares outstanding is set out below:

Particulars	Equity Shares	Equity Shares
	As at 31.03.2020	As at 31.03.2019
Number of shares as at 01.04.2019	1,04,02,755	1,04,02,755
Add: Shares issued during the year	-	-
Number of shares as at 31.03.2020	1,04,02,755	1,04,02,755

(e) Shares allotted during the last 5 years:

Year	No. of Shares	Face Value
2019-20	NIL	NIL
2018-19	NIL	NIL
2017-18	NIL	NIL
2016-17	NIL	NIL
2015-16	NIL	NIL

NOTES TO FINANCIAL STATEMENTS

Particulars	Amount (Rs)	
	As at 31.03.2020	As at 31.03.2019
NOTE 9 : RESERVES & SURPLUS		
(a) Capital Reserve		
Balance as at the beginning of the year	15,09,34,650	15,09,34,650
Additions during the year	0	0
Closing Balance	15,09,34,650	15,09,34,650
(b) Securities Premium Account		
Balance as at the beginning of the year	15,62,20,861	15,62,20,861
Additions during the year	0	0
Deductions during the year	0	0
Closing Balance	15,62,20,861	15,62,20,861
c Revaluation Reserve Account		
Balance as at the beginning of the year	0	0
Additions during the year	0	0
Less: Written off during the year	0	0
Closing Balance	0	0
(d) Surplus in Statement of Profit & Loss		
Balance as at the beginning of the year	(12,49,12,484)	(10,37,32,617)
Profit during the year	(4,88,56,141)	(1,74,02,231)
Less: Adjustment of Depreciation as per Companies Act, 2013	(27,50,000)	(37,77,637)
Amount Available for appropriation	(17,65,18,625)	(12,49,12,484)
Less: Dividend on Equity shares	0	0
Less: Tax on Dividend	0	0
Net Surplus	(17,65,18,625)	(12,49,12,484)
Total Reserves & Surplus	13,06,36,886	18,22,43,027

NOTES TO FINANCIAL STATEMENTS

Particulars	Amount (Rs)	
	As at 31.03.2020	As at 31.03.2019
NOTE 10 : LONG TERM BORROWINGS		
Secured Loans		
Term Loan (against pari passu charge on all current assets)	0	0
Total	0	0
NOTE 11 : DEFERRED TAX LIABILITY		
Opening Deferred Tax Liability	2,15,95,816	2,14,78,508
Less: Deferred Tax Liability for the Year	-	-
Add: Deferred Tax Asset for the Year	77,939	1,17,308
Net Deferred Tax Asset / Liability	2,16,73,755	2,15,95,816
NOTE 12 : SHORT TERM BORROWINGS		
Secured Loans:		
Over Draft (against deposit of the company)	61,68,662	49,41,233
Unsecured Loans:		
Others	0	0
Total	61,68,662	49,41,233
NOTE 13 : TRADE PAYABLES		
Trade Payables	22,35,185	17,14,782
Total	22,35,185	17,14,782
NOTE 14 : SHORT TERM PROVISIONS		
Provision for Taxation	-	-
Proposed Final dividend	-	-
Total	0	0

NOTES TO FINANCIAL STATEMENTS

NOTES TO STATEMENT OF PROFIT & LOSS

Particulars	Amount (Rs)	
	As at 31.03.2020	As at 31.03.2019
NOTE 15 : REVENUE FROM OPERATIONS		
Software Sales	1,33,19,997	6,67,01,787
Total	1,33,19,997	6,67,01,787
NOTE 16 : OTHER INCOME		
Other Income	32,72,241	32,55,371
Total	32,72,241	32,55,371
NOTE 17 : EMPLOYEE BENEFIT EXPENSES		
Salaries	46,83,609	56,01,677
Contribution to Employee Insurance & Other Funds	8,284	40,414
Staff Welfare	34,599	55,535
Total	47,26,492	56,97,626
NOTE 18 : FINANCE COST		
Bank interest	4,48,095	4,49,634
Total	4,48,095	4,49,634
NOTE 19 : OPERATING & OTHER EXPENSES		
NOTE 19.1 : OPERATIVE EXPENSES		
Outsourcing - Onsite Expenses	85,94,403	4,58,12,173
Web Development Charges / Domain	51,213	59,263
Total	86,45,616	4,58,71,436
NOTE 19.2 : OTHER EXPENSES		
Advertising Charges	25,658	18,044
Bank Charges	8,824	3,940
Books & Periodicals	3,189	5,708
Business Promotion Expenses	26,634	2,33,302
Communication Expenses	97,334	1,34,344
Computer Charges	3,69,765	5,11,668
Depository Charges	7,54,857	6,00,593
Insurance Expenses	71,567	47,446
Power / Fuel / Energy Costs	4,97,687	6,00,604

NOTES TO FINANCIAL STATEMENTS

	Amount (Rs)	
Particulars	As at 31.03.2020	As at 31.03.2019
NOTE 19.2 : OTHER EXPENSES (Contd.)		
Miscellaneous Expenses	70,865	5,89,164
Postage & Courier Charges	43,812	37,007
Printing & Stationery Charges	49,647	99,495
Professional Charges	27,84,761	1,62,100
Rates and Taxes	5,96,433	6,23,098
Repair & Maintenance	2,61,944	91,211
Travelling Expenses	7,285	4,11,963
Water Charges	14,790	16,865
Total	56,85,052	41,86,553
NOTE 19.3 : AUDITORS REMUNERATION		
Audit fees	1,25,000	1,25,000
Total	1,25,000	1,25,000
GRAND TOTAL (19.1 + 19.2 +19.3)	1,44,55,667	5,01,82,989

As per our report of even date attached
For JBRK & Co.,
 Chartered Accountants
 Firm Registration No. 005775S

Sd/-
(P.S.Ranganath)
 Partner
 M.No: 200839

Place : Mumbai
 Date: 16.06.2020

For and on behalf of the Board

sd/-
(Dr.Vivek Hebbar)
 Chairman, Board of Directors

sd/-
(Rajan Pillai)
 Director