NowFloats Technologies Private Limited

Financial Statements

2020-21

Independent Auditor's Report

To the Members of NowFloats Technologies Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

1. We have audited the accompanying Ind AS financial statements of NowFloats Technologies Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards ("Ind AS") prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2021, and its loss (including Other Comprehensive Income), its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Ind AS Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual Report, but does not include the Ind AS financial statements and our auditor's report thereon.

   Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 for the Ind AS financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS 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 prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

6. In preparing the Ind AS 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.

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Standards on Auditing 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 Ind AS financial statements.

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

   - Identify and assess the risks of material misstatement of the Ind AS 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 Act, 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

Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

11. The Company is deemed to be a public company for the purposes of the section 2(71) of the Companies Act and as required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.

12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

13. Further to our comments in Annexure 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 purpose 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 Ind AS financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date and our report dated 23 April 2021 as per Annexure B expressed unmodified opinion;

    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 (as amended), 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 litigation which would impact its financial position as at 31 March 2021;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021;

For **T. Murty & Associates**
Chartered Accountants
Firm's Registration No.: 005524S

T.S.N. Murthy
Proprietor
Membership No.: 200617

UDIN: 21200617AAAAAZ1107

Place: Hyderabad
Date: 23 April 2021

Annexure A to the Independent Auditor's Report of even date to the members of NowFloats Technologies Private Limited on the Ind AS financial statements for the year ended 31 March 2021.

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) The Company has a regular program of physical verification of its Property, plant and equipment under which Property, plant and equipment are verified in a phased manner over a period of two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, plant and equipments were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties which are included under the head 'Property, plant and equipment' are held in the name of the Company.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities and there have been no significant delays with respect to the same. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues outstanding in respect of income-tax, goods and service tax and duty of customs account of any dispute.

(viii) The Company has not defaulted in payments of loans or borrowings or dues to a financial institution or a bank or government or debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The Company is deemed to be a public company for the purposes of the section 2(71) of the Companies Act and as required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V of the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the Ind AS financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.

(xiv) According to the information provided to us and based on our examination of the records of the Company, the Company has made rights issue of optionally convertible debentures during the year and in respect of which the Company complied with section 62 and 71 of the Act and the amount raised has been applied for the purposes for which the funds are raised.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **T. Murty & Associates**
Chartered Accountants
Firm’s Registration No.: 005524S

T.S.N. Murthy
Proprietor
Membership No.: 200617

UDIN: 21200617AAAAAZ1107

Place: Hyderabad
Date: 23 April 2021

Annexure B to the Independent Auditor's Report of even date to the members of NowFloats Technologies Private Limited on the Ind AS financial statements for the year ended 31 March 2021

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the Ind AS financial statements of NowFloats Technologies Private Limited ("the Company") as at and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 ("Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 Ind AS financial statements, whether due to fraud or error.

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **T. Murty & Associates**
Chartered Accountants
Firm’s Registration No.: 005524S

T.S.N. Murthy
Proprietor
Membership No.: 200617

UDIN: 21200617AAAAAZ1107

Place: Hyderabad
Date: 23 April 2021

Balance Sheet as at 31 March 2021

(All amounts in lakhs of ₹, unless otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	71.68	28.82
Other intangible assets	4	18.22	10.17
Intangible assets under development		1,300.89	-
Right-of-use assets	4(a)	17.68	200.14
Financial assets			
(i) Loans	5	15.86	16.02
Non-current tax assets (net)		18.81	35.68
		1,443.14	**290.83**
Current assets			
Financial assets			
(i) Investments	7	932.77	1,715.40
(ii) Trade receivables	8	17.48	35.53
(iii) Cash and cash equivalents	9	40.27	118.98
(iv) Bank balances other than (iii) above	9	3.19	3.00
(v) Loans	5	1.59	24.92
(vi) Other financial assets	6	0.08	0.10
Other current assets	10	198.42	100.59
		1,193.80	**1,998.52**
Total Assets		**2,636.94**	**2,289.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	20.46	20.46
Instruments entirely equity in nature	12	-	-
Other equity	13	1,610.44	505.80
Total equity		**1,630.90**	**526.26**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	14	-	8.16
(ii) Lease liabilities	4(a)	3.16	137.39
(iii) Other financial liabilities	15	-	13.85
Provisions	16	82.13	70.42
Total non-current liabilities		**85.29**	**229.82**
Current liabilities			
Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises		6.39	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	25	137.50	189.45
(ii) Other financial liabilities	15	17.73	75.96
Other current liabilities	17	728.61	1,249.28
Provisions	16	30.52	18.58
Total current liabilities		**920.75**	**1,533.27**
Total Equity and Liabilities		**2,636.94**	**2,289.35**

The accompanying notes 1 to 33 form an integral part of the financial statements.
This is the Balance Sheet referred to in our report of even date.

For **T. Murty & Associates**
Chartered Accountants
Firm's Registration No.: 005524S

For and on behalf of the Board of Directors of
NowFloats Technologies Private Limited

T.S.N. Murthy
Proprietor
Membership No.: 200617

Place: Hyderabad
Date: 23 April 2021

Nitin Jain
Director
DIN: 05268417

Ronak Kumar Samantray
Director
DIN: 03567723

Place: Hyderabad
Date: 23 April 2021

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

(All amounts in lakhs of ₹, except earnings per equity share)

	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	18	961.42	2,229.46
Other income	19	286.26	239.88
Total revenues		**1,247.68**	**2,469.34**
Expenses			
Employee benefits expense	20	990.78	2,078.50
Finance costs	21	13.00	139.97
Depreciation and amortization expense	3 & 4 & 4(a)	103.81	116.78
Other expenses	22	529.33	1,291.10
Total expenses		**1,636.92**	**3,626.35**
Loss before tax		**(389.24)**	**(1,157.01)**
Tax expenses		-	-
- Current tax		-	-
- Deferred tax		-	-
Loss for the year		**(389.24)**	**(1,157.01)**
Other comprehensive Income/(Expense)			
Items that will not be reclassified to profit or loss	23	(6.14)	38.74
Total other comprehensive income for the year, net of taxes		**(6.14)**	**38.74**
Total comprehensive loss for the year		**(395.38)**	**(1,118.27)**
Earnings/(loss) per equity share [EPS]			
Basic EPS (In absolute ₹ terms)	24	(190.23)	(635.20)
Diluted EPS (In absolute ₹ terms)		(190.23)	(635.20)

The accompanying notes are an integral part of these financial statements.
This is the Statement of Profit and Loss referred to
in our report of even date.

For **T. Murty & Associates**
Chartered Accountants
Firm's Registration No.: 005524S

T.S.N. Murthy
Proprietor
Membership No.: 200617

Place: Hyderabad
Date: 23 April 2021

For and on behalf of the Board of Directors of
NowFloats Technologies Private Limited

Nitin Jain
Director
DIN: 05268417

Ronak Kumar Samantray
Director
DIN: 03567723

Place: Hyderabad
Date: 23 April 2021

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

(All amounts in lakhs of ₹, except shares,CCD's,)

A. Equity Share Capital

	Equity Share Capital	
	Number	**Amount**
Balance as at 1 April 2019	**75,631**	**7.56**
Shares issued during the year	45,449	4.55
Shares issued on conversion of CCD's and CCPS	83,533	8.35
Balance as at 31 March 2020	**2,04,613**	**20.46**
Shares issued during the year	-	-
Shares issued on conversion of CCD's and CCPS	-	-
Balance as at 31 March 2021	**2,04,613**	**20.46**

B. Instruments entirely equity in nature

	Number	**Amount**
(a) Compulsorily Convertible Debentures (CCD's)		
(i) Series B1 Compulsorily Convertible Debentures (CCD's) of ₹100 each		
Balance as at 1 April 2019	**19,82,793**	**1,982.79**
Converted into Equity shares	(19,82,793)	(1,982.79)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(ii) Series B2T1 CCD's of ₹100 each		
Balance as at 1 April 2019	**11,00,000**	**1,100.00**
Converted into Equity shares	(11,00,000)	(1,100.00)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(iii) Series B2T2 CCD's of ₹100 each		
Balance as at 1 April 2019	**83,000**	**83.00**
Converted into Equity shares	(83,000)	(83.00)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(iv) Series B2T3 CCD's of ₹100 each		
Balance as at 1 April 2019	**13,55,799**	**1,355.80**
Converted into Equity shares	(13,55,799)	(1,355.80)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**

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

(All amounts in lakhs of ₹, except shares,CCD's,)

(b) Compulsorily Convertible Preference Shares(CCP's)

	Number	Amount
(i) Series A Preference shares of ₹10 each		
Balance as at 31 March 2019	**12,375**	**1.24**
Converted into Equity shares	(12,375)	(1.24)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(ii) Series A1 Preference shares of ₹10 each		
Balance as at 31 March 2019	**18,131**	**1.81**
Converted into Equity shares	(18,131)	(1.81)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(iii) Series A2 Preference shares of ₹10 each		
Balance as at 31 March 2019	**4,417**	**0.44**
Converted into Equity shares	(4,417)	(0.44)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(iv) Series A3 Preference shares of ₹50 each		
Balance as at 31 March 2019	**499**	**0.25**
Converted into Equity shares	(499)	(0.25)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**
(v) Series B Preference shares of ₹50 each		
Balance as at 31 March 2019	**29,892**	**14.95**
Converted into Equity shares	(29,892)	(14.95)
Balance as at 31 March 2020	**-**	**-**
Converted into Equity shares	-	-
Balance as at 31 March 2021	**-**	**-**

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

(All amounts in lakhs of ₹, except shares,CCD's,)

C. Other Equity

	Reserves and Surplus				Other Comprehensive Income - Actuarial gain	Instruments classified as equity 0.0001% Optionally Fully Convertible Debentures	Total
	Securities premium	Employee stock options outstanding reserve	Money received against share warrants	Deficit in the Statement of Profit and Loss			
Balance as at 1 April 2019	**6,779.42**	**9.38**	**0.40**	**(14,091.57)**	**65.46**	**-**	**(7,236.91)**
Loss for the year	-	-	-	(1,157.01)	-	-	(1,157.01)
Actuarial gain on post-employment benefit obligations	-	-	-	-	38.74	-	38.74
Additions during the year	9,285.44	-	-	-	-	-	9,285.44
ESOPs allotted/adjusted during the year	-	(9.38)	-	-	-	-	(9.38)
Other adjustments	(415.08)	-	(0.40)	0.40	-	-	(415.08)
						-	
Balance as at 31 March 2020	**15,649.78**	**-**	**-**	**(15,248.18)**	**104.20**	**-**	**505.80**
Loss for the year	-	-	-	(389.24)	-	-	(389.24)
Actuarial gain on post-employment benefit obligations	-	-	-	-	(6.14)	-	(6.14)
Additions during the year	-	-	-	-	-	-	-
ESOPs allotted/adjusted during the year	-	-	-	-	-	-	-
Issued during the year	-	-	-	-	-	1,500.00	1,500.00
Other adjustments*	-	-	-	0.02	-	-	0.02
Balance as at 31 March 2021	**15,649.78**	**-**	**-**	**(15,637.40)**	**98.06**		**1,610.44**

* Represents adjustment of transation cost in accordance with accounting principles.

The accompanying notes form an integral part of these financial statements.
This is the Statement of Changes in Equity referred to in our report of even date.

For **T. Murty & Associates**
Chartered Accountants
Firm's Registration No.: 005524S

T.S.N.Murthy
Proprietor
Membership No.: 200617

Place: Hyderabad
Date: 23 April 2021

For and on behalf of the Board of Directors of
NowFloats Technologies Private Limited

Nitin Jain
Director
DIN: 05268417

Ronak Kumar Samantray
Director
DIN: 03567723

Place: Hyderabad
Date: 23 April 2021

Cash Flow Statement for the year ended 31 March 2021

(All amounts in lakhs of ₹, unless otherwise stated)

		For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities			
Loss before tax		**(389.24)**	**(1,157.01)**
Adjustments for:			
Depreciation and amortization expense		103.81	116.78
Interest income		(3.73)	(2.15)
Income from investments		(59.87)	(29.42)
Interest expenses		13.00	139.97
Liabilities no longer required written back		(204.76)	(168.85)
Employee stock option compensation		-	(9.38)
(Gain)/Loss on sale of assets		9.17	12.74
Operating loss before working capital changes		**(531.62)**	**(1,097.32)**
Adjusted for:			
Decrease in trade receivables & Other Assets		(56.27)	(2.27)
Decrease in trade payables & Other Liabilities		(357.77)	(1,369.07)
Cash used in operating activities		**(945.66)**	**(2,468.66)**
Income taxes (paid)/refund received		16.86	56.46
Net cash used in operating activities	**(A)**	**(928.80)**	**(2,412.20)**
Cash flows from investing activities			
Purchase of tangible and intangible assets		(1,393.85)	(14.78)
Proceeds from sale of fixed assets		111.51	1.68
(Investments in)/redemption of fixed deposits		-	125.00
Investments in mutual funds		(2,348.04)	(2,600.00)
Redemption of mutual funds		3,130.68	908.90
Income from investments		59.87	5.12
Interest received		3.73	3.82
Net cash flows generated from/(used in) investing activities	**(B)**	**(436.10)**	**(1,570.26)**
Cash flows from financing activities			
Proceeds from issue of equity shares and shares warrants, net of transaction cost		-	4,343.07
Proceeds from issue of optionally fully convertible debentures		1,500.00	-
Repayments of other long term borrowings		(11.54)	(669.75)
Principal repayment of lease liablities		(189.08)	(64.89)
Interest paid		(13.00)	(139.97)
Net cash flows generated from financing activities	**(C)**	**1,286.38**	**3,468.46**
Net decrease in cash and cash equivalents	**(A+B+C)**	**(78.52)**	**(514.00)**
Cash and cash equivalents at the beginning of the year		121.98	635.98
Cash and cash equivalents at the end of the year (note 9)		**43.46**	**121.98**

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

For **T. Murty & Associates**
Chartered Accountants
Firm's Registration No.: 005524S

For and on behalf of the Board of Directors of
NowFloats Technologies Private Limited

T.S.N. Murthy
Proprietor
Membership No.: 200617

Nitin Jain
Director
DIN: 05268417

Ronak Kumar Samantray
Director
DIN: 03567723

Place: Hyderabad
Date: 23 April 2021

Place: Hyderabad
Date: 23 April 2021

Notes to the Financial Statements for the year ended 31st March, 2021

1. **Corporate information:**

NowFloats Technologies Private Limited is a company incorporated in India having its registered office at 3rd Floor, Sreshta Marvel, SY-136 Gachibowli, Ranga Reddy District, Hyderabad – 500032. The Company's immediate holding company is Reliance Retail Ventures Limited and the Ultimate Holding Company is Reliance Industries Limited. The Company is engaged in the business of developing websites and updation of content information in those websites in order assist the customers in developing an online presence.

2. **Significant accounting policies:**

a) Basis of preparation and presentation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 ("the Rules").

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following; financial instruments/financial assets measured at fair value or amortized cost: employee defined benefit assets/ liability recognized as the net total of the fair value of plan assets, and actuarial losses/gains, and the present value of defined benefit obligation.

The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh except where otherwise indicated.

b) Significant accounting estimates, assumptions and judgements:

The preparation of financial statements requires management to make accounting estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures of contingencies at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation of 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 change or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i. **Impairment of non-current assets:**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a "Discounted Cash Flow" (DCF) model.

ii. **Defined benefit plans:**

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

iii. **Fair value measurement of financial instruments:**

Notes to the Financial Statements for the year ended 31st March, 2021

When the fair values of financial assets and financial liabilities on reporting date cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets.

iv. Life time expected credit loss on trade and other receivables:

Trade receivables do not carry any interest and are stated at their transaction value as reduced by life time expected credit losses ("LTECL"). As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head other expenses/other income in the P&L. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

v. Contingencies:

Management judgement is required for estimating the possible inflow/outflow of resources, if any, in respect of contingencies/claims/litigations against the Company/by the Company as it is not possible to predict the outcome of pending matters with accuracy.

vi. Depreciation on property, plant and equipment:

Depreciation on property, plant and equipment is calculated on a straight-line basis/written down value based on the useful lives given in Schedule II to Companies Act, 2013. The management believes that useful lives currently considered fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

vii. Intangibles:

Internal technical or user team assesses the useful lives of intangible assets. Management believes that assigned useful lives are reasonable.

viii. Income taxes:

Deferred tax assets including Minimum Alternate Tax (MAT) Credit Entitlement is recognized to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c) Current Vs non-current classifications:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it satisfies the below mentioned criteria;

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;
ii. Held primarily for the purpose of trading;
iii Expected to be realised within twelve months after the reporting period, or
iv Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Financial Statements for the year ended 31st March, 2021

All other assets are classified as non-current assets.

A liability is classified as current when it satisfies the below mentioned criteria;

i. Expected to settle the liability in normal operating cycle;
ii. Held primarily for the purpose of trading;
iii. Due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d) Property, plant and equipment:

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to put to use.

The Company adopted cost model as its accounting policy, in recognition of the property, plant and equipment and recognises transaction value as the cost.

Direct expenditure incurred and other attributable costs on projects under implementation are treated as unallocated capital expenditure pending allocation to the assets and under construction or in the process of installation are termed as Capital work-in-progress and shown at cost in the Balance Sheet.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

The improvements/modifications carried on the lease hold land/property are recognised as lease hold improvements and are written off over the primary lease period or the life of such improvement whichever is lower.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost of the assets after commissioning, less its residual value, over their useful lives as estimated by the management.

Depreciation is provided using the written down value method as per the useful lives of the fixed assets at the rates prescribed under Schedule II to the Companies Act, 2013. Depreciation on leasehold improvements is provided on straight-line basis over primary lease period or balance leasehold life, whichever is lower.

e) Intangible assets:

Software licenses

Intangible assets in the nature of software licenses are measured on initial recognition at cost including expenditure incurred towards implementation of such software. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and

Notes to the Financial Statements for the year ended 31st March, 2021

the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

Amortization of intangible assets
Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed three to five years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life.

Research and development cost

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate: - The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and use or sell the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on straight-line basis over the period of expected future benefit from the related project viz. the estimated useful life of five years. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets relating to products in development and other intangible assets not available for use is tested for impairment annually.

f) Impairment of non-financial assets:

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

ii. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset are no longer existing or have decreased.

Notes to the Financial Statements for the year ended 31st March, 2021

g) Leases:

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

➢ the contract involves the use of an identified asset;

➢ the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

➢ the Company has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred and an estimate of the costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate applicable to the Company. Generally, the Company uses its incremental borrowing rate as the discount rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

h) Revenue recognition:

Revenue comprises of rendering of services. Revenue is measured at the fair value of consideration received or receivable and is recognized to the extent that it is probable that the economic benefits will flow to the Company.

The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, using cumulative catch-up transition method with effect from 1 April 2018 and accordingly these financial statements are prepared in accordance with the recognition and measurement principles laid down under Ind AS 115. Also, the application of Ind AS 115 did not have any significant impact on recognition and measurement of revenue and related items in the financial statements of the Company.

Notes to the Financial Statements for the year ended 31st March, 2021

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. the customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company performs; or

ii. the Company’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

iii. the Company’s performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.
Revenue in excess of invoicing are classified as contract asset while collections in excess of revenues are classified as contract liabilities.

Further, at the time of revenue recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts with an original expected duration of one year or less and in respect of contracts where the revenue recognised corresponds directly with the value to the customer of the Company’s performance completed to date.

Specifically, the following basis is adopted for various sources of income:

Technology subscription fees
Revenue from technology subscription fees is being recognized based on usage of the services.

Sponsorship fees
Income from sponsorship services is recognized as and when the terms and conditions of the agreement with the sponsors are complied.

Interest
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable.

Income from mutual funds
Profit on the sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.

Notes to the Financial Statements for the year ended 31st March, 2021

i) Foreign currency transactions:

i. **Functional and reporting Currency**: The Company's functional and reporting currency is Indian Rupee.

ii. **Initial recognition**: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amounts the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

iii. **Conversion on reporting date:** Foreign currency monetary items are reported using the closing rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

iv. **Exchange differences:** Exchange difference arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

j) Retirement and other employee benefits:

i. Employer's contribution to provident fund/employee state insurance which is in the nature of defined contribution scheme is expensed off when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the fund.

ii. Gratuity liability is in the nature of defined benefit obligation. Such liability is provided based on independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

iii. Actuarial gain/(loss) in the valuation are recognised as other comprehensive income for the period.

iv. Compensated absences are provided for based on estimates of independent actuarial valuation on projected unit credit method made at the end of each financial year as per the requirements of Ind AS 19 "Employee Benefits".

k) Earnings per equity share:

Basic earnings per share is calculated by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year adjusted for bonus element in equity share. Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period unless issued at a later date.

l) Provisions:

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when 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. Provisions are not recognised for future operating losses.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provisions are reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements for the year ended 31st March, 2021

m) Contingencies:

Where it is not probable that an inflow or an outflow of economic resources will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of balance sheet and is disclosed as a contingent asset or contingent liability. Possible outcomes on obligations/rights, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities.

n) Taxes on income:

The tax expenses for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income. In which case, the tax is also recognised in Other Comprehensive Income.

i. Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

o) Cash and cash equivalents:

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

p) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for such asset or liability, or in the absence of a principal market, in the most advantageous market which is accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Financial Statements for the year ended 31st March, 2021

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a. Level 1 – Quoted (unadjusted market prices) in active markets for identical assets or liabilities.
b. Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurements is directly or indirectly observable.
c. Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

q) 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:

a) 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 (FVTPL) transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in Statement of Profit or Loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b) Subsequent measurement:

For subsequent measurement, financial assets are classified into following categories:

a. Debt instruments
b. Equity instruments

a. Debt Instruments:

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

i. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at 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 amortisation is included in finance income in the Statement of Profit or Loss. The losses arising from impairment are recognised in the Statement of Profit or Loss.

b. Equity instruments:

Equity instruments/Mutual funds in the scope of Ind AS 109 are measured at fair value. The classification is made on initial recognition and is irrevocable. Subsequent changes in the fair values at each reporting date are recognised in the Statement of Profit and Loss.

All equity investments in subsidiaries are measured at cost less diminution other than temporary. All equity investments in scope of Ind AS 109 are measured at fair value. Equity investments which are held for trading are classified as FVTPL. For all other equity investments, the Company may make an irrevocable election to present in OCI subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. The classification is

Notes to the Financial Statements for the year ended 31st March, 2021

made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain/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.

c) De-recognition:

A financial asset or where applicable, a part of a financial asset is primarily derecognised when:

i. The rights to receive cash flows from the asset have expired, or

ii. 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement.

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 debt instruments, that are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

Expected credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive.

The management uses a provision matrix to determine the impairment loss on the portfolio of trade and other receivables. Provision matrix is based on its historically observed expected credit loss rates over the expected life of the trade receivables and is adjusted for forward looking estimates.

Expected credit loss allowance or reversal recognised during the period is recognised as income or expense, as the case may be, in the Statement of Profit and Loss. In case of balance sheet, it is shown as reduction from the specific financial asset.

Financial liabilities:

a) Initial recognition and measurement:

At initial recognition, all financial liabilities are recognised at fair value and in the case of loans, borrowings and payables, net of directly attributable transaction costs.

b) Subsequent measurement:

i. Financial liabilities at FVTPL:

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Gain or losses on liabilities held for trading are recognised in the profit or loss.

The Company has not designated any financial liability at FVTPL.

Notes to the Financial Statements for the year ended 31st March, 2021

ii. Financial liabilities at amortised cost:

Amortised cost, in case of financial liabilities with maturity more than one year, is calculated by discounting the future cash flows with effective interest rate. The effective interest rate amortisation is included as finance costs in the Statement of Profit and Loss.

Financial liability with maturity of less than one year is shown at transaction value.

c) De-recognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

3. Property, plant and equipment

Particulars	Computers	Office equipment	Furniture and fixtures	Leasehold improvements	Vehicles	Total
Gross block						
As at 1 April 2019	22.33	41.78	18.46	23.12	20.97	126.66
Additions during the year	1.41	1.37	-	-	-	2.78
Deletions during the year	-	8.93	-	-	-	8.93
Adjustments*	-	-	18.46	-	-	18.46
As at 31 March 2020	**23.74**	**34.22**	**-**	**23.12**	**20.97**	**102.05**
Additions during the year	74.40	4.13	-	-	-	78.53
Deletions during the year	1.46	0.16	-	-	-	1.62
Adjustments*	11.31	31.11	-	-	-	42.42
As at 31 March 2021	**85.37**	**7.08**	**-**	**23.12**	**20.97**	**136.54**
Accumulated depreciation						
Up to 1 April 2019	12.77	18.41	0.93	23.12	6.53	61.76
Charge for the year	4.65	10.72	4.55	-	4.52	24.44
Adjustments	-	7.49	5.48	-	-	12.97
Up to 31 March 2020	**17.42**	**21.64**	**-**	**23.12**	**11.05**	**73.23**
Charge for the year	17.15	6.07	-	-	3.10	**26.32**
Adjustments	9.28	25.41	-	-	-	**34.69**
Up to 31 March 2021	**25.29**	**2.30**	**-**	**23.12**	**14.15**	**64.86**
Net block						
As at 31 March 2021	**60.08**	**4.78**	**-**	**-**	**6.82**	**71.68**
As at 31 March 2020	**6.32**	**12.58**	**-**	**-**	**9.92**	**28.82**

* Represents assets retired from active use.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

4. Intangible assets

Particulars	Computer software	Product development cost	Domains	Patents	Total
Gross block					
As at 1 April 2019	**15.75**	**14.24**	**-**	**3.16**	**33.15**
Additions during the year	-	-	-	-	-
As at 31 March 2020	**15.75**	**14.24**	**-**	**3.16**	**33.15**
Additions during the year	-	-	13.88	0.54	**14.42**
As at 31 March 2021	**15.75**	**14.24**	**13.88**	**3.70**	**47.57**
Accumulated amortization					
Up to 1 April 2019	**7.00**	**4.00**	**-**	**0.49**	**11.49**
Charge for the year	7.00	4.00		0.49	11.49
Up to 31 March 2020	**14.00**	**8.00**	**-**	**0.98**	**22.98**
Charge for the year	1.75	4.00	0.10	0.52	**6.37**
Up to 31 March 2021	**15.75**	**12.00**	**0.10**	**1.50**	**29.35**
Net block					
As at 31 March 2021	**-**	**2.24**	**13.78**	**2.20**	**18.22**
As at 31 March 2020	**1.75**	**6.24**	**-**	**2.18**	**10.17**

4(a). Right-of-use assets

	Bulidings	Total
Gross block		
As at 1 April 2019	-	-
Impact of adoption of Ind AS 116	14.27	14.27
Additions/(Deletion) during the period	266.72	266.72
As at 31 March 2020	**280.99**	**280.99**
Adjustments*	**(111.34)**	**(111.34)**
As at 31 March 2021	**169.65**	**169.65**
Accumulated amortization		
Up to 1 April 2019	-	-
For the period	80.85	**80.85**
Up to 31 March 2020	**80.85**	**80.85**
For the period	71.12	71.12
Up to 31 March 2021	**151.97**	**151.97**
Net block		
As at 31 March 2021	**17.68**	**17.68**
As at 31 March 2020	**200.14**	**200.14**

The aggregate depreciation expense on Right-of-use assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The incremental borrowing rate applied to lease liabilities as at 1 April 2020 is 10.4%

*Represents the changes made to right of use assets on account of change in lease term and concession in rental payments.

The following is the break-up of current and non-current lease liabilities as at 31 March 2021:

	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	17.73	72.58
Non-current lease liabilities	3.16	137.39
Total	**20.89**	**209.97**

The following is the movement in lease liabilities during the year ended 31 March 2021:

	As at 31 March 2021	As at 31 March 2020
Opening balance	209.97	274.86
Payment/Adjustments of lease liabilities	(189.08)	(64.89)
Total	**20.89**	**209.97**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

4(a). Right-of-use assets (continued)

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2021 on an undiscounted basis:

	As at 31 March 2021	As at 31 March 2020
Less than one year	18.55	91.12
One to five years	3.25	149.69
Total	**21.80**	**240.81**

Rental expense recorded for short-term leases was ₹16.72 lakhs for the year ended 31 March 2021 (31 March 2020: ₹182.91 lakhs)

5. Loans

	As at 31 March 2021	As at 31 March 2020
Non-Current		
(Unsecured, considered good)		
Rental deposits	15.86	16.02
	15.86	**16.02**
Current		
(Unsecured, considered good)		
Rental deposits	1.59	7.60
Loans to employees	-	17.12
Loans to others	-	0.20
Other receivables / Advance for salaries		
	1.59	**24.92**
Unsecured, considered doubtful	-	57.83
Less: Provision for doubtful advances	-	(57.83)
	1.59	**24.92**

6. Other financial assets

	As at 31 March 2021	31 March 2020
Current		
Interest accrued on fixed deposits*	0.08	0.10
	0.08	**0.10**

* Financial assets carried at amortized cost

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

7. Investments

	As at	
	31 March 2021	**31 March 2020**
Quoted		
Investments designated at FVTPL - Others		
Investments in mutual funds		
Nil Units (31 March 2020: 1,35,079 Units, 1 April 2019: Nil Units) ICICI Prudential Liquid Fund - Dividend Plan Growth Fund	-	396.61
Nil Units (31 March 2020: 2,90,861 Units, 1 April 2019: Nil Units) ICICI Prudential Money Market Fund - Dividend Plan Growth Fund	-	811.83
1,68,958.69 Units (31 March 2020: Nil Units, 1 April 2019: Nil Units) Aditya Birla Sunlife Mutual Fund	932.77	-
Nil Units (31 March 2020: 12,627 Units, 1 April 2019: Nil Units) Kotak Liquid Fund - Dividend Plan Growth fund	-	506.96
	932.77	**1,715.40**
Aggregate value of quoted investments	**932.77**	**1,715.40**

8. Trade receivables

	As at	
	31 March 2021	**31 March 2020**
Unsecured, considered good		
- From others	17.48	35.53
	17.48	**35.53**

Trade receivables

(i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person.

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 180 days.

9. Cash and bank balances

	As at	
	31 March 2021	**31 March 2020**
Cash and cash equivalents		
Balances with banks in current accounts*	34.25	109.23
Balances with others	6.02	9.75
	40.27	**118.98**
Other bank balances		
Fixed deposits with original maturity of more than three months but less than twelve months	3.19	3.00
	3.19	**3.00**

*There are no repatriation restrictions with regard to cash and cash equivalents.

10. Other current assets

	As at	
	31 March 2021	**31 March 2020**
Unsecured, considered good		
Prepaid expenses	26.17	16.29
Balances with government authorities	164.88	81.40
Other receivables	7.37	2.90
	198.42	**100.59**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, except shares,CCD's,)

11. Equity share capital

Particulars	As at 31 March 2021 Number	31 March 2021 Amount	31 March 2020 Number	31 March 2020 Amount
Authorized share capital				
Equity shares of ₹10 each	2,15,844	21.58	2,15,844	21.58
Preference shares of ₹10 each	51,301	5.13	51,301	5.13
Preference shares of ₹50 each	41,571	20.79	41,571	20.79
	3,08,716	**47.50**	**3,08,716**	**47.50**
Issued, subscribed and fully paid-up share capital				
Equity shares of ₹10 each	2,04,613	20.46	2,04,613	20.46
Total issued, subscribed and fully paid-up share capital	**2,04,613**	**20.46**	**2,04,613**	**20.46**

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at 31 March 2021 Number	31 March 2021 Amount	31 March 2020 Number	31 March 2020 Amount
Equity shares				
Balance at the beginning of the year	2,04,613	20.46	75,631	7.56
Add: Shares issued during the year	-	-	45,449	4.55
Add: Shares issued on conversion of CCD's and CCPS	-	-	83,533	8.35
Balance at the end of the year	**2,04,613**	**20.46**	**2,04,613**	**20.46**

(b) Details of shares held by holding company and its subsidiaries

	As at 31 March 2021 Number	31 March 2021 Amount	31 March 2020 Number	31 March 2020 Amount
Equity shares of ₹10 each				
Reliance Strategic Business Ventures Limited and its nominees	-	-	1,80,737	18.07
Reliance Retail Ventures Limited and its nominees	1,80,737	18.07	-	-

* Reliance Retail Ventures Limited became the holding company with effect from 04th Sep 2020.

(c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing general meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to their shareholding.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares

Particulars	As at 31 March 2021 Number	31 March 2021 % holding	31 March 2020 Number	31 March 2020 % holding
Equity shares:				
Reliance Strategic Business Ventures Limited and its nominees	-	-	1,80,737	88.33%
Reliance Retail Ventures Limited and its nominees	1,80,737	88.33%	-	-

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, except shares,CCD's,)

11. Share capital (continued)

(e) Details of shares reserved for issue under options

Pursuant to special resolution passed by the members of the Company during their meeting held on 13 March 2015, the Board of Directors of the Company instituted an Employee Stock Option Plan 'ESOP-2015' with a pool of 6,758 stock options. The said stock options would be granted to the eligible employees, duly identified by the Compensation Committee of the Board of Directors, in various tranches. Each option comprises of one underlying equity share of ₹10 each. The options so granted are subject to progressive vesting over a term of three years, duly determined on an individual employee basis.

The Company has accounted for employee deferred compensation expense using intrinsic value method for options granted at a price lower than the market values, as estimated by the independent valuer.

Changes in number of shares representing stock options outstanding as at 31 March 2021 were as follows:

	As at			
	31 March 2021		31-Mar-20	
	Number of options	Exercise price ₹	Number of options	Exercise price ₹
Outstanding, beginning of the year	-	-	163	10
Granted during the year	-	-	-	-
Forfeited during the year	-	-	163	10
Exercised during the year	-	-	-	-
Outstanding, end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

The ESOP Plan 2015 has been cancelled by the Company through approval by the Board of directors in its meeting held on 31 October 2019 and approval by the shareholders through EOGM Meeting of Shareholders held on 02 November 2019.

The fair value of options was estimated at the date of grant using the Black & Scholes-Merton method with the following assumptions:

	As at	
	31 March 2021	31 March 2020
Risk free interest rate	NA	6.65% to 8.00%
Remaining contractual life	NA	Nil
Expected life (years)	NA	Nil
Expected volatility	NA	0.00%
Expected dividend yield	NA	0.00%

12 Instruments entirely equity in nature

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at			
	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
(a) Compulsorily Convertible Debentures (CCD's)				
(i) Series B1 CCD's of ₹100 each				
Balance at the beginning of the year	-	-	19,82,793	1,982.79
Add: Issued during the year	-	-	-	-
Less: Converted to equity shares	-	-	(19,82,793)	(1,982.79)
Balance at the end of the year	-	-	-	-
(ii) Series B2T1 CCD's of ₹100 each				
Balance at the beginning of the year	-	-	11,00,000	1,100.00
Add: Issued during the year	-	-	-	-
Less: Converted to equity shares	-	-	(11,00,000)	(1,100.00)
Balance at the end of the year	-	-	-	-
(iii) Series B2T2 CCD's of ₹100 each				
Balance at the beginning of the year	-	-	83,000	83.00
Add: Issued during the year	-	-	-	-
Less: Converted to equity shares	-	-	(83,000)	(83.00)
Balance at the end of the year	-	-	-	-
(iv) Series B2T3 CCD's of ₹100 each				
Balance at the beginning of the year	-	-	13,55,799	1,355.80
Add: Issued during the year	-	-	-	-
Less: Converted to equity shares	-	-	(13,55,799)	(1,355.80)
Balance at the end of the year	-	-	-	-
Total CCD's	-	-	-	-

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, except shares,CCD's,)

Particulars	As at			
	31 March 2021		31 March 2020	
	Number	Amount	Number	Amount
(b) Compulsorily Convertible Preference Shares(CCP's)				
(i) Series A Preference shares of ₹10 each				
Balance at the beginning and end of the year	-	-	12,375	1.24
Less: Conversion into Equity shares	-	-	(12,375)	(1.24)
Balance at the end of the year	-	-	-	-
(ii) Series A1 Preference shares of ₹10 each				
Balance at the beginning and end of the year	-	-	18,131	1.81
Less: Conversion into Equity shares	-	-	(18,131)	(1.81)
Balance at the end of the year	-	-	-	-
(iii) Series A2 Preference shares of ₹10 each				
Balance at the beginning and end of the year	-	-	4,417	0.44
Less: Conversion into Equity shares	-	-	(4,417)	(0.44)
Balance at the end of the year	-	-	-	-
(iv) Series A3 Preference shares of ₹50 each				
Balance at the beginning and end of the year	-	-	499	0.25
Less: Conversion into Equity shares	-	-	(499)	(0.25)
Balance at the end of the year	-	-	-	-
(v) Series B Preference shares of ₹50 each				
Balance at the beginning of the year	-	-	29,892	14.95
Less: Conversion into Equity shares	-	-	(29,892)	(14.95)
Less: Series B CCPS converted into Equity Shares	-	-	-	-
Balance at the end of the year	-	-	-	-
Total CCP's	-	-	-	-
Total	-	-	-	-

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

13. Other Equity

	As at 31 March 2021	As at 31 March 2020
Securities premium		
Balance at the beginning of the year	**15,649.78**	**6,779.42**
Add: Additions during the year	-	9,285.44
Less: Transcation cost on issue of shares	-	(415.08)
Balance at the end of the year	**15,649.78**	**15,649.78**
Employee stock options outstanding reserve		
Balance at the beginning of the year	**-**	**9.38**
Add: Employee compensation cost for the year	-	-
Less: ESOPs allotted/adjusted during the year	-	9.38
Balance at the end of the year	**-**	**-**
Instruments classified as equity		
Proceeds from issuance of Optionally Convertible Debentures of Rs. 10 each fully paid up*	**1,500.00**	-
Deficit in the Statement of Profit and Loss		
Balance at the beginning of the year	**(15,248.18)**	**(14,091.57)**
Add: Share Warrant Surrendered		
Add: Loss for the year	(389.24)	(1,157.01)
Other adjustments	0.02	0.40
Balance at the end of the year	**(15,637.40)**	**(15,248.18)**
Other Comprehensive income (Actuarial gain on defined benefit plan)		
Balance at the beginning of the year	104.20	65.46
Add: Gain/loss during the year	(6.14)	38.74
Balance at the end of the year	**98.06**	**104.20**
Total	**1,610.44**	**505.80**

Nature and purpose of reserves

(a) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium reserve. This reserve is utilised in accordance with the provisions of the Act.

(b) Deficit in the Statement of Profit and Loss

Retained earnings are the lossess that the Company has incurred till date.

(c) Actuarial gain on defined benefit plan

The reserve represents the remeasurement gains arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to Statement of Profit and Loss.

(d) Employee stock options outstanding reserve

Employee stock options outstanding reserve is used to record the fair value of equity-settled share-based payment transactions with employees. The amounts recorded in this account are transferred to share premium upon exercise of stock options by employees.

* **Terms and rights attached to Optionally Fully Convertible Debentures (OFCD's)**

The Company issued 15,000 Optionally Fully Convertible Debentures(OFCD's) of ₹10,000 each to Reliance Retail Ventures Limited on 22 January 2021. The OFCD's carry a non-cumulative coupon rate of 0.0001% per annum which is payable at the time of conversion of the OFCD's in a manner as decided by the Board of Directors. The tenure of each OFCD shall be 10 years from the date of allotment and can be redeemed at any time earlier than 10 years (at any date after expiry of 30 days from the date of allotment). The Company shall have an option for conversion at any time after allotment of OFCD by giving 1 (one) month notice in writing to the holders of OFCD's, into such equal number of Equity Shares or preference shares, as maybe decided by the holders of OFCD's.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

14. Long-term borrowings

	As at 31 March 2021	As at 31 March 2020
Secured loans		
Term loan - Vehicle loan from bank (refer note (a) below)	-	11.54
	-	**11.54**
Less: Current maturities of long-term borrowings	-	(3.38)
	-	**8.16**

Vehicle loans availed from banks are fully secured by way of hypothecation of specific vehicles against the loan is availed. These loans carry an annual interest rate of 9.51% (31 March 2020:9.51%).

Maturity profile of borrowings:

	As at 31 March 2021	As at 31 March 2020
Within 1 year	-	3.38
1 - 2 years	-	7.80
2 - 5 years	-	0.36
	-	**11.54**

15. Other financial liabilities

	As at 31 March 2021	As at 31 March 2020
Non-current		
Security deposit	-	13.85
	-	**13.85**
Current		
Current maturities of long-term borrowings (refer note 14)	-	3.38
Current maturities of lease liabilities	17.73	72.58
	17.73	**75.96**

16. Provisions

	As at 31 March 2021	As at 31 March 2020
Long-term		
Provision for employee benefits		
- Gratuity, unfunded (refer note 20 (b))	82.13	70.42
	82.13	**70.42**
Short-term		
Provision for employee benefits		
- Gratuity, unfunded (refer note 20 (b))	30.52	18.58
	30.52	**18.58**

(a) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on lower of either 15 days last drawn salary for each completed year of service or ₹20 lakhs and is determined based on an independent actuarial valuation at the balance sheet date at entity level.

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. However, the Company has not invested the accrued liability as of 31 March 2021. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

17. Other liabilities

	As at 31 March 2021	As at 31 March 2020
Current		
Dues to employees	31.01	122.07
Statutory dues payable	74.90	58.82
Unearned income (Refer note 18(a))	622.70	1,068.39
	728.61	**1,249.28**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

18. Revenue from operations

	For the year ended	
	31 March 2021	**31 March 2020**
Technology subscription fees	961.42	2,229.46
	961.42	**2,229.46**

(i) Disaggregation of revenue

	For the year ended	
	31 March 2021	**31 March 2020**
- Direct sale	951.20	2,205.74
- Sale through channel partners	10.22	23.72
Total revenue from operations	**961.42**	**2,229.46**

Information about major customers:

No single customer represents 10% or more of the Company's total revenue during the year ended 31 March 2021 and 31 March 2020.

Changes in unearned and deferred revenue are as follows:

	For the year ended	
	31 March 2021	**31 March 2020**
Balance at the beginning of the year	1,068.39	2,014.29
Invoiced during the year	515.73	1,283.56
Revenue recognized during the year	961.42	2,229.46
Balance at the end of the year	**622.70**	**1,068.39**

Reconciliation of revenue recognised with the contracted price is as follows:

	For the year ended	
	31 March 2021	**31 March 2020**
Contracted price	961.42	2,229.46
Reductions towards variable consideration components	-	-
Revenue recognised	**961.42**	**2,229.46**

19. Other income

	For the year ended	
	31 March 2021	**31 March 2020**
Gain on extinguishment of financial assets	8.78	24.30
Gain on extinguishment of financial liabilities*	-	128.08
Income from mutual funds	59.87	5.12
Interest on fixed deposits	0.17	0.70
Interest on discounting of financial assets	1.84	1.46
Rental income	-	31.50
Interest on others	1.72	7.54
Liabilities no longer required written back	204.76	40.78
Income from Sponsorship	2.42	-
Miscellaneous income	6.70	0.40
	286.26	**239.88**

*Represents the gain on extinguishment of financial liabilities pursuant to the conversion of the Compulsorily Convertible Debentures during November 2019 into equity shares of the Company.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

20. Employee benefits expense

	For the year ended	
	31 March 2021	31 March 2020
Salaries and wages	934.82	1,972.48
Gratuity expense	21.57	42.69
Contribution to provident and other funds	26.44	56.86
Staff welfare expenses	7.95	6.47
	990.78	**2,078.50**

a. Defined contribution plan

During the year ended 31st March 2021, the Company has contributed ₹24.02 Lakhs (31 March 2020:₹51.56 lakhs) to provident fund and ₹0.15 lakhs (31 March 2020: ₹1.29 lakhs) towards employee state insurance fund.

b. Defined benefit plan

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on lower of either 15 days last drawn salary for each completed year of service or ₹20 lakhs and is determined based on an independent actuarial valuation at the balance sheet date at entity level.

(i) The assumptions used in accounting for the gratuity plan are set out as below:

	For the year ended	
	31 March 2021	31 March 2020
Retirement age	58 years	58 years
Attrition rate	32.30%	28.00%
Salary escalation rate	7.00%	7.00%
Discount rate (per annum)	5.15%	6.16%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market. However, the Company has not invested the accrued liability as of 31st March 2021. The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards.

(ii) Details of obligation at the end of the year

	As at	
	31 March 2021	31 March 2020
Obligation at the beginning of the year	89.00	88.37
Current service cost	16.66	36.15
Interest cost	4.91	6.54
Benefits paid	(4.06)	(3.32)
Actuarial gain recognised in the year	6.14	(38.74)
Obligation at the end of the year	**112.65**	**89.00**

(iii) Expenses recognised in the Statement of Profit and Loss:

	For the year ended	
	31 March 2021	31 March 2020
Current service cost	16.66	36.15
Past service cost	-	-
Interest cost	4.91	6.54
Obligation at the end of the year	**21.57**	**42.69**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

20. Employee benefits expense (continued)

(iv) Recognised in other comprehensive income:

	For the year ended	
	31 March 2021	**31 March 2020**
Actuarial gain/(loss) for the year	(6.14)	38.74
Total	**(6.14)**	**38.74**

(v) Impact on defined benefit obligations

	As at	
	31 March 2021	**31 March 2020**
Assumptions		
Sensitivity level		
Increase /(decrease) in the defined benefit liability		
- Discount rate : 1% increase	(2.68)	(3.22)
- Discount rate : 1% decrease	2.84	3.44
- Future salary : 1% increase	2.06	2.67
- Future salary : 1% decrease	(2.09)	(2.64)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

21. Finance costs

	For the year ended	
	31 March 2021	**31 March 2020**
Interest expense	0.70	114.52
Interest expense on discounting of financial liabilities	12.30	25.45
	13.00	**139.97**

22. Other expenses

	For the year ended	
	31 March 2021	**31 March 2020**
Rent	16.72	182.91
Rates and taxes	14.28	51.54
Repairs and maintenance-others	2.41	13.36
Business promotion expenses	63.85	54.89
Brokerage and commission expense	0.30	2.74
Professional charges	51.11	222.61
Technology infrastructure expenses	319.10	602.93
Electricity charges	0.47	11.32
Insurance expenses	22.28	7.19
Printing and stationary	1.07	2.97
Telecommunication expenses	3.61	7.70
Travelling expenses	4.65	89.02
Payments to auditor		
- as auditor	5.00	2.00
- for other services	0.28	-
Bank charges	13.08	11.88
Postage and courier	1.94	8.90
Provision for doubtful advances and receivables	-	6.16
Assets written off	9.18	12.98
	529.33	**1,291.10**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

23. Other comprehensive income

	For the year ended	
	31 March 2021	**31 March 2020**
Actuarial gain/(losses) on post employment benefit expenses	(6.14)	38.74
	(6.14)	**38.74**

24. Earnings per equity share

	For the year ended	
	31 March 2021	**31 March 2020**
(a) **Computation of loss for the year**		
Net loss attributable to equity shareholders	(389.24)	(1,157.01)
(b) **Computation of weighted average number of equity shares:**		
Weighted average number of shares considered for computation of basic EPS	2,04,613	1,82,148
Add: Effect of potential dilutive shares*	-	-
Weighted average number of shares considered for computation of diluted EPS	2,04,613	1,82,148

*In view of losses incurred during the year, potential equity shares are anti-dilutive in nature.

(c) **EPS:**		
Basic (in absolute ₹ terms)	(190.23)	(635.20)
Diluted (in absolute ₹ terms)	(190.23)	(635.20)

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

25. Trade Payables

	For the year ended	
	31 March 2021	**31 March 2020**
Dues to:		
Micro and small enterprises	6.39	-
Other than micro and small enterprises	137.50	189.45
	143.89	**189.45**

(i) There are no micro, small and medium enterprises, as defined under the provisions of Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues as at the reporting date. The micro, small and medium enterprises have been identified by management on the basis of information available with the Company and have been relied upon by the auditors.

26. Fair Value measurements

(i) Financial instruments by category

	As at			
	31 March 2021		**31 March 2020**	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial assets				
Investments	932.77	-	1,715.40	-
Loans to related parties	-	-	-	-
Rental deposits	-	17.45	-	23.61
Employee loans	-	-	-	17.12
Other loans	-	-	-	0.20
Trade receivables	-	17.48	-	35.53
Cash and cash equivalents	-	40.27	-	118.98
Other bank balances	-	3.19	-	3.00
Interest accrued	-	0.08	-	0.10
Financial liabilities				
Borrowings	-	-	-	11.54
Security deposit	-	-	-	13.85
Lease liability	-	20.89		209.97
Trade payables	-	143.88	-	189.45

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTPL (Fair value through profit and loss) investments.

(ii) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, earmarked balances with banks, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value.

For the financial assets measured at fair values, the carrying amounts are equal to the fair values.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

26. Fair Value measurements (continued)

(iii) Valuation technique used to determine fair value:

The fair value of the financials assets and liabilities is reported at the amount at which the instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

a. The fair values of the quoted shares are based on price quotations at the reporting dates.

b. The fair value of unquoted equity shares are based on the Net Assets Value, available for Equity Shareholders of the underlying Companies which was ascertained based on data available from the financial statements of the respective Companies.

(iv) Fair Value hierarchy:

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following table shows the Levels within the hierarchy, of financial assets and liabilities measured at fair value on a recurring basis as at 31 March 2021 and 31 March 2020.

Quantitative disclosures of fair value measurement hierarchy as at 31 March 2021:

Particulars	Level 1	Level 2	Level 3
Financial Assets measured at FVTPL			
Investments	932.77	-	-

Quantitative disclosures of fair value measurement hierarchy as at 31 March 2020:

Particulars	Level 1	Level 2	Level 3
Financial Assets measured at FVTPL			
Investments	1,715.40	-	-

27. Net debt reconciliation

The following table sets out an analysis of the movements in net debt for the year:

Particulars	Lease liabilities	Interest accrued	Non - Current borrowings	Interest accrued
Net debt as on 1 April 2019	274.86	-	681.29	128.08
Cash flows, net	(64.89)	-	(669.75)	-
Interest expense	-	25.45	-	114.52
Interest paid	-	(25.45)	-	(114.52)
Other adjustment	-	-	-	(128.08)
Net debt as on 31 March 2020	**209.97**	**-**	**11.54**	**-**
Cash flows, net	(189.08)	-	(11.54)	-
Interest expense	-	12.29	-	0.70
Interest paid	-	(12.29)	-	(0.70)
Other adjustment	-	-	-	-
Net debt as on 31 March 2021	**20.89**	**-**	**-**	**-**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

28. Related party disclosures

(a) Name of the related parties and nature of relationship

Name of the parties	Nature of relationship
Reliance Retail Ventures Limited	Holding Company
Nitin Jain Ronak Kumar Samantray	Key managerial personnel ('KMP')

(b) Transactions during the year

	For the year ended	
	31 March 2021	**31 March 2020**
Managerial remuneration:		
Nitin Jain	68.20	49.00
Ronak Kumar Samantray	72.00	60.00
Issue of optionally fully convertible debentures		
Reliance Retail Ventures Limited	1,500	-

(c) Balances receivable / (payable)

	As at	
	31 March 2021	**31 March 2020**
Nitin Jain	-	1.50
Ronak Kumar Samantray	-	5.80
Reliance Retail Ventures Limited	(1,500.00)	-

- Balances as at the year ended 31st March 2020 pertain to salary and travel advances

29. Financial Risk Management objectives and policies:

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include liquidity risk. The Company’s risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. There has been no change to the Company’s exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Company’s exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

29. Financial Risk Management objectives and policies (continued)**:**

(i) Other price risk

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.

The Company based on working capital requirement keeps its liquid funds in current accounts. Excess funds are invested in long term instruments. The Company has listed and non-listed equity securities that are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and reports on the equity portfolio are submitted to the management on a regular basis.

The following table demonstrates the sensitivity to the impact of increase/decrease of the index on the Company's equity and profit for the period. The analysis is based on the assumption that index has increased or decreased by 10%, with all other variables held constant and that the Company's equity instruments moved in line with the index.

Particulars	Change	31 March 2021	31 March 2020
NSE Nifty 50 sensitivity			
- Increase by	10%	93.28	171.54
- Decrease by	(10%)	(93.28)	(171.54)

(ii) Credit risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments when a counterparty defaults on its obligations. The Company's exposure to credit risk arises primarily from loans extended, security deposits, balances with bankers and trade and other receivables. The Company minimises credit risk by dealing exclusively with high credit rating counterparties. The Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Company trades only with recognised and creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

(a) Exposure to credit risk:

At the end of the reporting period, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. No other financial assets carry a significant exposure to credit risk.

(b) Credit risk concentration profile:

At the end of the reporting period, there were no significant concentrations of credit risk. The maximum exposures to credit risk in relation to each class of recognised financial assets is represented by the carrying amount of each financial assets as indicated in the balance sheet.

(c) Financial assets that are neither past due nor impaired:

None of the Company's cash equivalents, other bank balances, loans, security deposits and other receivables were past due or impaired as at 31 March 2021. Trade and other receivables including loans that are neither past due nor impaired are from creditworthy debtors with good payment record with the Company. Cash and short-term deposits investment securities that are neither past due nor impaired, are placed with or entered with reputable banks financial institutions or companies with high credit ratings and no history of default.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

29. Financial Risk Management objectives and policies (continued)**:**

(d) Financial assets that are either past due or impaired:

The Company doesn't have any significant trade receivables or other financial assets which are either past due or impaired. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the Management also evaluates the factors that may influence the credit risk of its customer base, including the default risk and country in which the customers operate. The management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if available, financial statements, credit agency information, industry information and in some case bank references. The Company's receivables turnover is quick and historically, there was no significant default on account of trade and other receivables. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

(iii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of 31 March 2021:

	On Demand	Upto 1 year	1 to 3 years	After 3 years
Trade payables	-	143.88	-	-
Lease liability	-	17.73	3.16	-
Other financial liabilities	-	0.00	-	-
	-	**161.61**	**3.16**	**-**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of 31 March 2020:

	On Demand	Upto 1 year	1 to 3 years	After 3 years
Borrowings	-	3.38	7.80	0.36
Trade payables	-	189.45	-	-
Lease liability	-	72.58	137.39	
Other financial liabilities	-	122.07	13.85	-
	-	**387.48**	**159.04**	**0.36**

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

30. Segment Information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses that relate to transactions with any of the Company's other components. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BOD), which has been identified as being the Chief Operating Decision Maker (CODM), to make decisions about resources to be allocated to the segments and assess their performance.

The Company is into the business of website development and updation of content information in those websites. The CODM reviews the results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company operates and manages its business as a single segment as per the requirements of Ind AS 108 “Operating Segments”.

Information about geographical areas

The Company has operations only in India, hence there are no separately reportable geographical segments for the Company as per the requirements of Ind AS 108 – “Operating Segments”.

31. Capital management

Capital includes equity capital and all other reserves attributable to the equity holders of the parent. The primary objective of the capital management is to ensure that it maintain an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder’s value. The Company manages its capital structure and make adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, Company may adjust the dividend payment to shareholders return capital to shareholders or issue new shares.

The Company monitors capital using a debt to capital employed ratio which is debt divided by total capital plus debt. The Company’s policy is to keep this ratio at an optimal level to ensure that the debt related covenants are complied with.

	As at	
	31 March 2021	**31 March 2020**
Borrowings #	-	11.54
Less: Cash and cash equivalents	(40.27)	(118.98)
Net Debt	**40.27**	**130.52**
Total equity	1,630.90	526.26
Equity and net debt	**1,671.17**	**656.78**
Gearing ratio	2.41%	19.87%

Total Borrowings include long-term borrowing, current maturities of long-term borrowings

In order to achieve this overall objective, the Company’s capital management, amongst other things, aims to ensure that it meets the financial covenants attached to interest bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to immediately call back loans and borrowings.

There have been no breaches in the financial covenants of any interest bearing loans and borrowings in the current period. No changes were made in the objectives, policies or processes for managing the capital during the year ended 31 March 2021 and 31 March 2020.

Notes to the Financial Statements for the year ended 31st March, 2021

(All amounts in lakhs of ₹, unless otherwise stated)

32. The Company does not have any contingent liabilities as on 31 March 2021 (31 March 2020:Nil, 31 March 2019: Nil) and commitment as on 31 March 2021 (31 March 2020: Nil, 31 March 2019: Nil).

33. The impact of COVID – 19 on the business operations for the Company for the current year 2020-21 is not significant as the work has been continued from home and within weeks the normal rhythm of work had been established. Management has performed the assessment of the effect of COVID -19 on the business activities such as Product Development and Sales operations and made changes in the working process to minimize the impact of Covid-19 on liquidity position as well as business activities in the foreseeable future. Based on the assessment, presently there are no significant concerns regarding continuity of the business. The impact of COVID – 19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to monitor any material changes to future economic conditions.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For **T. Murty & Associates**
Chartered Accountants
Firm's Registration No.: 005524S

T.S.N.Murthy
Proprietor
Membership No.: 200617

Place: Hyderabad
Date: 23 April 2021

For and on behalf of the Board of Directors of
NowFloats Technologies Private Limited

Nitin Jain
Director
DIN: 05268417

Ronak Kumar Samantray
Director
DIN: 03567723

Place: Hyderabad
Date: 23 April 2021