DU DIGITAL TECHNOLOGIES LIMITED

Statutory Audit for the year ending March 31, 2021

Standalone Financial Statement

Mukesh Raj & Co.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of DU Digital Technologies Limited

Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the accompanying unconsolidated financial statements of DU Digital Technologies Limited ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the 'Basis for Qualified Opinion' section of our report the aforesaid unconsolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, its cash flows and for the year ended on that date.

Basis for Qualified Opinion

The Company in previous years has given loans to relative of directors which is not in compliance with Section 185 of the Companies Act 2013. This loan has been recovered in full along with interest subsequent to the year end. Further, the Company has granted loans to relative of directors, exceeded the permissible limits as prescribed under section 186; members approval for enhanced limits under section 186 was accorded in FY 2017-18, however the Company failed to file the respective form MGT – 14 in respect of such approval. Later, in the EGM dated April 19, 2021 the company obtained members approval for enhancing such limits for loans and advances granted by it under section 186 by way of special resolution and filed the form MGT – 14 with the ROC.

This may attract penal consequences under the Companies Act 2013 and have an impact on the functioning of Company.

Emphasis of Matter – Covid-19

We draw attention to Note 33 to the financial statements, which describes the uncertainties and the impact of COVID 19 on carrying value of trade receivables, loans and advances and other current assets, as assessed by the management. Our opinion is not modified in respect of this matter.

We conducted our audit of the unconsolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Unconsolidated Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the 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 audit opinion on the unconsolidated financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the unconsolidated financial statements and our auditor's report thereon.

Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Unconsolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these unconsolidated financial statements that give a true and fair view of the financial position, financial performance including cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. 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 the 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 unconsolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated 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 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matter

The financial statements of the Company for the year ended March 31, 2020, included in these unconsolidated financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

   (a) We have sought and obtained; except for the matter(s) described in the basis for Qualified Opinion paragraph, all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) Except for the matter(s) described in the Basis for Qualified Opinion paragraph; proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) Except for the matter(s) described in the Basis for Qualified Opinion paragraph; the aforesaid unconsolidated financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to unconsolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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 have any pending litigations which would impact its financial position; these have been disclosed in note 27 to the financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Mukesh Raj & Co.
Chartered Accountants
ICAI Firm Registration Number: 016693N

SD/-
per Mukesh Goel
Partner
Membership Number: 094837
UDIN: 21094837AAAAFD7128

Place: New Delhi
Date: June 18, 2021

Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date
Re: DU Digital Technologies Limited ('the Company')

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

(b) Fixed assets have been physically verified by the management subsequent to the year end and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management and audit procedures performed by us, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company

(ii) (a) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

(iii) (a) The Company has granted loans to firms / person covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are re-payable on demand, to a firm covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, the Company in previous years has given loans to relative of directors, which is not in compliance with Section 185 of the Companies Act 2013, details of which are tabulated below. This loan has been recovered in full along with interest subsequent to the year end. Further, the Company has granted loan to relative of directors, exceeded the permissible limits as prescribed under section 186; members approval for enhanced limits under section 186 was accorded in FY 2017-18, however the Company failed to file the respective form MGT – 14 in respect of such approval. Later, in the EGM dated April 19, 2021 the company obtained members approval for enhancing such limits for loans and advances granted by it under section 186 by way of special resolution and filed the form MGT – 14 with the ROC.

S.No.	Name of party to whom company advanced any loan	Relationship	Nature of non-compliance	Loan given during the year	Outstanding balance as at March 31, 2021	Remarks
1	Bharat Sidheshwar Rai	Relative of KMP	Non Compliance of section 185 of Companies Act 2013	-	37,08,745	

(v) 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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, tax collected at source, cess and other statutory dues have been generally regularly deposited with the appropriate authorities; however, there have been delays in payment of TDS, goods & service tax, provident fund and advance tax. The provisions related to duty of excise, duty of custom, sales-tax and value added tax are not applicable to the Company.

(b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax Demand	6,22,719	AY 2019-20	Income Tax Department	NA
Service Tax Act	Demand Cum-Show cause Notice	5,74,74,132	AY 2015-16 to 2018-19	Service Tax Department	NA

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank.

(ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Mukesh Raj & Co.
Chartered Accountants
ICAI Firm Registration Number:016693N

SD/-
per Mukesh Goel
Partner
Membership Number: 094837
UDIN: 21094837AAAAFD7128

Place: New Delhi
Date: June 18, 2021

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE UNCONSOLIDATED FINANCIAL STATEMENTS OF DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")

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

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

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these unconsolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these unconsolidated Financial Statements

A company's internal financial control over financial reporting with reference to these unconsolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of unconsolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Unconsolidated Financial Statements

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

Opinion

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

For Mukesh Raj & Co.
Chartered Accountants
ICAI Firm Registration Number:016693N

SD/-
per **Mukesh Goel**
Partner
Membership Number: 094837
UDIN: 21094837AAAAFD7128

Place: New Delhi
Date: June 18, 2021

DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
CIN: U74110DL2007PLC171939
Unconsolidated Balance sheet as at March 31, 2021
(All amounts in Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,00,000	1,00,000
Reserves and surplus	4	1,42,32,673	90,04,927
		1,43,32,673	91,04,927
Non-current liabilities			
Long Term Borrowing	5	12,66,177	19,78,950
Long term provisions	6	5,05,703	3,00,678
		17,71,880	22,79,628
Current liabilities			
Short Term Borrowing	7	5,00,000	-
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 26)		2,912	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,90,82,955	4,40,47,605
Other Current Liabilities	9	12,17,096	53,70,974
Short term provisions	6	3,05,777	764
		2,11,08,740	4,94,19,343
TOTAL		3,72,13,293	6,08,03,898
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	45,49,116	54,17,019
Non-current Investments	11	17,46,054	28,45,944
Loans & advances	12	5,69,500	13,82,614
Deferred tax assets (net)	13	84,721	1,06,656
		69,49,391	97,52,233
Current assets			
Current Investments	11	18,207	1,66,20,649
Trade receivable	14	16,93,300	-
Cash and bank balances	15	99,41,283	1,34,59,283
Loans & advances	12	1,01,41,241	1,76,90,049
Other assets	16	84,69,871	32,81,684
		3,02,63,902	5,10,51,665
TOTAL		3,72,13,293	6,08,03,898
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Mukesh Raj & Co.
ICAI Firm Registration No. 016693N
Chartered Accountants

SD/-
Per Mukesh Goel
Partner
Membership No.: 094837

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of
DU DIGITAL TECHNOLOGIES LIMITED

For DU Digital Technologies Ltd.

SD/-
Director

SD/- Director
Rajinder rai
Director
DIN- 0000024523

Place: New Delhi
Date: June 18, 2021

SD/-
Madhurima Rai
Director
DIN- 0000239410

Place: New Delhi
Date: June 18, 2021

SD/-
Bipin Durgapal
Chief Financial Officer

Place: New Delhi
Date: June 18, 2021

SD/-
Jinkal Ashwin Shah
Company Secretary
Membership No: 40722
Place: New Delhi
Date: June 18, 2021

DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
CIN: U74110DL2007PLC171939
Unconsolidated Statement of profit and loss for the year ended March 31, 2021
(All amounts in Rupees unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Sale of Services	17	1,07,15,487	28,01,69,461
Other income	18	53,53,462	53,02,078
Total revenue		1,60,68,949	28,54,71,539
Expenses			
Overseas Visa System Charges	19	34,53,329	24,95,97,480
Employee benefits expense	20	28,46,723	78,69,335
Depreciation expense	21	8,88,241	8,65,124
Finance costs	22	2,52,521	3,66,918
Other expenses	23	18,13,109	2,85,62,848
Total expense		92,53,923	28,72,61,705
(Loss)/profit before tax		68,15,026	(17,90,166)
Tax expenses			
Current tax		14,96,911	-
Adjustment of tax relating to earlier year		68,434	-
Deferred tax		21,935	(2,73,750)
Total tax expense		15,87,280	(2,73,750)
(Loss)/profit for the year		52,27,746	(15,16,416)
Earnings per equity share [nominal value of Rs. 10 (31 March 2020: Rs. 10)]	24		
Basic and diluted		522.77	(151.64)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Mukesh Raj & Co.
ICAI Firm Registration No. 016693N
Chartered Accountants

SD/-
Per Mukesh Goel
Partner
Membership No.: 094837

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of
DU DIGITAL TECHNOLOGIES LIMITED

For DU Digital Technologies Ltd.

Director

SD/-
Rajinder rai
Director
DIN- 0000024523

Place: New Delhi
Date: June 18, 2021

For DU Digital Technologies Ltd.

SD/-
Director

SD/-
Madhurima Rai
Director
DIN- 0000239410

Place: New Delhi
Date: June 18, 2021

SD/-
Bipin Durgapal
Chief Financial Officer

Place: New Delhi
Date: June 18, 2021

SD/-
Jinkal Ashwin Shah
Company Secretary
Membership No: 40722
Place: New Delhi
Date: June 18, 2021

DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
CIN: U74110DL2007PLC171939
Unconsolidated Cash flow statement for the year ended March 31, 2021
(All amounts in Rupees unless otherwise stated)

	For the year ended March 31, 2021	For the year ended March 31, 2020
A Cash flow from operating activities		
(Loss)/profit for the year before tax	68,15,026	(17,90,166)
Adjustments :		
Depreciation expense	8,88,241	8,65,124
Interest expense	1,50,957	2,82,542
Profit on sale of mutual fund	(5,44,171)	(25,33,507)
Exchange Fluctuations (net)	(30,488)	(24,38,098)
Liability written back	(19,126)	(1,48,043)
Profit on sale of investment in Subsidiary company	(40,08,477)	
Interest income	(7,51,200)	(1,82,430)
Operating Profit before working capital changes	25,00,762	(59,44,578)
Decrease/(Increase) in trade receivables	(16,93,300)	96,35,087
Decrease/(Increase) in loans and advances	65,05,759	(87,38,521)
Decrease/(Increase) in Other current assets	(51,88,187)	(32,81,684)
Decrease in trade payables	(2,49,12,124)	(3,75,76,133)
Increase/(Decrease) in other current liabilities	(41,05,378)	14,60,665
Increase in provisions	5,10,038	1,32,352
Net change in working capital	(2,88,83,192)	(3,83,68,234)
Cash generated from operations	(2,63,82,430)	(4,43,12,812)
Direct Taxes paid (net of refunds)	2,90,818	(10,35,911)
Net cash from operating activities (A)	(2,60,91,612)	(4,53,48,723)
B Cash flow from investing activities		
Purchase of fixed assets	(20,338)	(1,85,511)
Proceeds from sale of investments in mutual funds	1,71,46,613	3,88,12,868
Proceeds from sale of investment in Subsidiary company	51,08,367	-
Interest received	7,51,200	1,82,430
Investment in fixed deposits with remaining maturity for less than 12 months	(15,000)	-
Net cash provided by investing activities (B)	2,29,70,842	3,88,09,787
C Cash flow from financing activities		
Repayment of borrowings	(2,57,196)	(9,27,532)
Interest paid	(1,55,034)	(2,88,776)
Net cash provided by financing activities (C)	(4,12,230)	(12,16,308)
Net decrease/(increase) in cash & cash equivalents (A+B+C)	(35,33,000)	(77,55,244)
Add : Cash and Cash equivalents at the beginning of the year	1,34,59,283	2,12,14,527
Cash and cash equivalents at the end of the year	99,26,283	1,34,59,283
Cash on hand	71,39,212	1,05,37,485
Bank balances		
-In current accounts	27,87,071	23,70,143
- Deposits with maturity of less than 3 months	-	5,51,655
Components of cash and cash equivalents as at the end of the year (refer note 15)	99,26,283	1,34,59,283

Summary of significant accounting policies
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Mukesh Raj & Co.
ICAI Firm Registration No. 016693N
Chartered Accountants

SD/-
Per Mukesh Goel
Partner
Membership No.: 094837

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of
DU DIGITAL TECHNOLOGIES LIMITED

For DU Digital Technologies Ltd.

SD/- Director
Rajinder Rai
Director
DIN- 0000024523

Place: New Delhi
Date: June 18, 2021

SD/-
Madhurima Rai
Director
DIN- 0000239410

Place: New Delhi
Date: June 18, 2021

SD/-
Director

SD/-
Bipin Durgapal
Chief Financial Officer

Place: New Delhi
Date: June 18, 2021

SD/-
Jinkal Ashwin Shah
Company Secretary
Membership No: 40722

Place: New Delhi
Date: June 18, 2021

DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
CIN: U74110DL2007PLC171939
Unconsolidated Notes to the financial statements for the year ended 31 March 2021

1. Corporate information

DU Digital Technologies Limited ("the company") is a public company domiciled in India and incorporated on August 29, 2016 under the provisions of Companies Act, 2013. The Company is engaged in providing outsourced VISA services to its customers.The company has been converted from private company to public company w.e.f June 28, 2018.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight line basis ('SLM') using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets.

	Useful lives estimated by the management (years)	Useful lives as per schedule II of Companies Act (years)
Furniture and fixtures	10	10
Office equipments	5	5
Motor Vehicles	8	8
Computer equipments	3	3

Leasehold improvements are amortized and charged to depreciation over shorter of the primary/secondary lease period or 5 years.

Depreciation on assets purchased during the year is provided on prorata basis from the date of purchase of fixed assets. The useful life of assets which are not as per schedule II of Companies Act, 2013 have been estimated by the management based on the internal technical evaluation.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(d) Property, plant and equipment

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred. Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

(e) Intangible assets

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

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 ten 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. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

(f) Impairment of property, plant and equipment and intangible assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(g) Leases

Where the company is lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(h) Borrowing costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Revenue recognition

Income from services

Revenues from VISA services are recognized as and when services are rendered. The company collects GST on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.

Other Support Service

Income from other support service includes reimbursement of any expense incurred for providing visa services, assistance provided in accounting, tax, regulatory, liasoning with the customers / department or any other service to the customers.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

(k) Foreign currency translation

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of the company at rates different from those at which they were initially recorded during the period, or reported in the previous financial statements, are recognised as income or as expense in the period in which they arise.

(l) Retirement and other employee benefits

Gratuity liability is a defined benefit obligation. The cost of providing benefits under this plan is determined on the basis of actuarial valuation at each year-end using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

Company has a policy of make a provision of any unutilized privileged leave balance as at the year end.

Leave liability is provided on the basis of estimation made by the management of unutilized leaves as at the year end.

Accumulated leaves are expected to be utilized within the next 12 months, and hence, treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Company calculate leave balance during the end of the financial year and create provision for the utilized leaves on basic salary of every employee.

(m) Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(n) Segment reporting

The Company is engaged in the business outsourced visa services. The entire operations are governed by the same set of risks and returns. The Company also does not have significant income from outside India. Therefore, there is no reportable segment as per the Accounting Standard 17, 'Segment Reporting'.

Unconsolidated Notes to the financial statements for the year ended 31 March 2021

(o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(p) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(q) Contingent liabilities

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

(r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

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3 Share capital

	As at March 31, 2021	As at March 31, 2020
Authorised shares		
100,000 equity shares (March 31, 2020: 100,000) of Rs.10/- each	10,00,000	10,00,000
	10,00,000	10,00,000
Issued, subscribed and fully paid up shares		
10,000 equity shares (March 31, 2020: 10,000) of Rs.10/- each	1,00,000	1,00,000
Total issued, subscribed and fully paid-up share capital	1,00,000	1,00,000

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

Equity Shares	As at March 31, 2021		As at March 31, 2020	
	No.	Rs.	No.	Rs.
At the beginning of the year	10,000	1,00,000	10,000	1,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	10,000	1,00,000	10,000	1,00,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the equity shares held by the shareholders.

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

	As at March 31, 2021		As at March 31, 2020	
	No.	% holding in the class	No.	% holding in the class
Equity shares of Rs. 10 each fully paid				
Rajinder Rai	4,000	40.00%	4,000	40.00%
Madhurima Rai	1,200	12.00%	1,200	12.00%
Bharat Siddheshwar Rai	2,700	27.00%	2,700	27.00%
Shivaz Rai	1,800	18.00%	1,800	18.00%
Srishti Rai	100	1.00%	100	1.00%
Kanika Rai	100	1.00%	100	1.00%
Mandira Rai	100	1.00%	100	1.00%

4 Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
Surplus in the statement of profit and loss		
Balance as per last financial statements	90,04,927	1,05,21,343
(Loss)/profit for the year	52,27,746	(15,16,416)
Total reserves and surplus	1,42,32,673	90,04,927

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5 Borrowings

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Secured Loan				
Vehicle Loan*	12,66,177	19,78,950	10,48,226	10,92,649
	12,66,177	19,78,950	10,48,226	10,92,649
Amount disclosed under the head "other current liabilities" (note 9)	-	-	(10,48,226)	(10,92,649)
Total	12,66,177	19,78,950	-	-

* Vehicle Loan from Yes bank has charge against the vehicle and carries interest@8.07% p.a and is repayable over the period of 64 months (March 31, 2020: 60 months).

The Reserve Bank of India, in March this year, offered a relief measure to the borrowers in the form of EMI moratorium on all term loans for three months till May 31, 2020. This was further extended by another three months till August 31, 2020. In total, Reserve Bank of India has offered a moratorium of six-months between March 1, 2020 and August 31, 2020. The Company has opted to avail relief for 3 months period from June 2020 to August 2020 and defer its principal and interest payments in relation to its outstanding term loans as on March 31, 2020.

6 Provisions

	Long Term		Short Term	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Provision for Gratuity	5,05,703	3,00,678	1,278	764
Provision for Income Tax (net of advances)	-	-	3,04,499	-
Total	5,05,703	3,00,678	3,05,777	764

7 Short term borrowings

	As at March 31, 2021	As at March 31, 2020
Unsecured		
Loan from related party*	5,00,000	-
Total	5,00,000	-

* Loan from related party is interest free and repayable on demand.

8 Trade payables

	As at March 31, 2021	As at March 31, 2020
- Total outstanding dues of micro enterprises and small enterprises (refer note 26 for details of dues to micro and small enterprises)	2,912	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,90,82,955	4,40,47,605
Total	1,90,85,867	4,40,47,605

9 Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings (note 5)	10,48,226	10,92,649
Interest accrued but not due on borrowings	16,569	20,646
Tax deducted at source payable	15,556	11,79,355
Employees Provident Fund Payable	19,514	1,91,882
Employees state insurance payable	527	24,704
GST Payable	1,16,704	28,61,738
Total	12,17,096	53,70,974

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DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
CIN: U74110DL2007PLC171939
Unconsolidated Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rupees unless otherwise stated)

11 Investments

	Non- Current		Current	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Investments In Shares				
4,899 shares (March 31, 2020: 4,899 shares) @ Rs. 336 of OSC Global Processing Pvt. Ltd.	**16,46,064**	16,46,064	-	-
Nil shares (March 31, 2020: 9,999 shares) @RS. 110 of IV Processing Private Limited	-	10,99,890	-	-
9,999 shares (March 31, 2020: 9,999 shares) @RS. 10 of Window Malay Pvt Ltd	**99,990**	99,990	-	-
Investments in Mutual Funds				
Nil Unit (March 31, 2020 1,648.456 unit) of Kotak Liquid Scheme @ Rs. Nil each (March 31, 2020 Rs. 3772.25 each)	-	-	-	62,18,393
5.679 Unit (March 31, 2020 3,386.538 unit) of SBI Liquid Fund @ Rs. 3,206.108 each (March 31, 2020 Rs. 3071.65 each)	-	-	**18,207**	1,04,02,256
Total	**17,46,054**	**28,45,944**	**18,207**	**1,66,20,649**

12 Loans & advances

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Security deposit				
Unsecured considered good	**5,69,500**	13,82,614	-	-
(A)	**5,69,500**	13,82,614	-	-
Loan and advances to related parties				
Unsecured, considered good	-	-	**43,08,756**	94,27,893
(B)	-	-	**43,08,756**	94,27,893
Advance recoverable in cash or in kind				
-Unsecured, considered good	-	-	**6,86,304**	8,99,169
(C)	-	-	**6,86,304**	8,99,169
Other loans and advances				
Advance tax (net of provision for tax)	-	-	-	18,56,163
Prepaid Expenses	-	-	**1,96,701**	82,871
Advance to employees	-	-	**10,14,638**	10,14,638
Balances with statutory / government authorities	-	-	**39,34,842**	44,09,315
(D)	-	-	**51,46,181**	73,62,987
Total (A+B+C+D)	**5,69,500**	13,82,614	**1,01,41,241**	1,76,90,049

13 Deferred tax asset / (liability)

	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	**1,26,264**	1,66,570
Gross deferred tax liability	**1,26,264**	**1,66,570**
Deferred tax asset		
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting		-
Others	**2,10,985**	2,73,226
Gross deferred tax asset	**2,10,985**	2,73,226
Net deferred tax assets	**84,721**	1,06,656

14 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	-	-
Less: Provision for doubtful receivables	-	-
(A)	-	-
Other Receivables		
Unsecured, considered good	16,93,300	-
(B)	16,93,300	-
Total (A+B)	16,93,300	-

15 Cash and bank balances

	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents		
Balances with banks:		
-On current accounts	27,87,071	23,70,143
- Deposits with maturity of less than 3 months	-	5,51,655
Cash on hand	71,39,212	1,05,37,485
	99,26,283	1,34,59,283
Other bank balances		
– Deposits with remaining maturity for less than 12 months	15,000	-
	15,000	-
Total	99,41,283	1,34,59,283

16 Other assets

	As at March 31, 2021	As at March 31, 2020
Other receivables	84,69,671	32,81,684
Others		
Interest accrued on fixed deposits	200	-
Total	84,69,871	32,81,684

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DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
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Unconsolidated Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rupees unless otherwise stated)

10 Property, plant and equipment

	Office equipments	Furniture & fixtures	Motor Vehicle	Computer Equipments	Total
Gross Block					
At 01 April, 2019	3,02,477	2,19,196	63,92,914	-	69,14,587
Additions	48,890	-	-	1,36,621	1,85,511
Disposals	-	-	-	-	-
At 31March, 2020	**3,51,367**	**2,19,196**	**63,92,914**	**1,36,621**	**71,00,098**
Additions	20,338	-	-	-	20,338
Disposals	-		-	-	-
Reclassification	**39,019**	-	-	(39,019)	-
At 31 March, 2021	**4,10,724**	**2,19,196**	**63,92,914**	**97,602**	**71,20,436**
Depreciation					
At 31March, 2019	49,259	24,928	7,43,768	-	8,17,955
Charge for the year	62,491	20,824	7,59,159	22,650	8,65,124
Disposals	-	-	-	-	-
At 31March, 2020	**1,11,750**	**45,752**	**15,02,927**	**22,650**	**16,83,079**
Charge for the period	**69,777**	**20,824**	**7,59,318**	**38,322**	**8,88,241**
Disposals	-	-	-	-	-
Reclassification	**11,547**	-	-	**(11,547)**	-
At 31 March, 2021	**1,93,074**	**66,576**	**22,62,245**	**49,425**	**25,71,320**
Net Block					
At 31March, 2020	2,39,617	1,73,444	48,89,987	1,13,971	54,17,019
At 31 March, 2021	**2,17,650**	**1,52,620**	**41,30,669**	**48,177**	**45,49,116**

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DU DIGITAL TECHNOLOGIES LIMITED (formerly known as "DU Digital Technologies Private Limited")
CIN: U74110DL2007PLC171939

Unconsolidated Notes to the financial statements for the year ended 31 March 2021
(All amounts in Rupees unless otherwise stated)

17 Revenue from operations

	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Services	79,67,013	27,74,95,741
Other support service	27,48,474	26,73,720
Total	1,07,15,487	28,01,69,461

18 Other income

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on:		
- Fixed deposits	1,901	1,82,430
- others	7,23,245	-
- Income tax refund	26,054	-
Exchange fluctuations (net)	30,488	24,38,098
Liability Written back	19,126	1,48,043
Profit on sale of investment in Subsidiary company	40,08,477	-
Profit on sale of mutual fund	5,44,171	25,33,507
Total	53,53,462	53,02,078

19 Overseas Visa System Charges

	For the year ended March 31, 2021	For the year ended March 31, 2020
Management Charges*	30,71,250	18,21,06,750
Support Services	3,82,079	6,74,90,730
Total	34,53,329	24,95,97,480

*Company has taken discount of 50% in VLN Fees (Data Management Charges) for the period July 2020 to February 2021. Charges recovered are INR 875 Per Count instead of INR 1750.

20 Employee benefits expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus	24,04,009	62,38,809
Gratuity expense (refer note 31)	2,05,539	1,32,352
Contribution to provident fund and other funds	1,05,158	5,81,714
Staff welfare expenses	1,32,017	9,16,460
Total	28,46,723	78,69,335

21 Depreciation expense

	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	8,88,241	8,65,124
Total	8,88,241	8,65,124

22 Finance costs

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on:		
- Vehicle loan from bank	1,50,957	2,82,542
- other's	49,948	-
Bank charges	51,616	84,376
Total	2,52,521	3,66,918

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23 Other expenses

	For the year ended March 31, 2021	For the year ended March 31, 2020
Power and fuel	88,301	3,76,159
Rent	5,15,052	40,55,151
Rates and taxes	2,59,916	2,30,877
Legal and professional fees	83,000	19,45,479
Payment to auditor (Refer Note A below)	2,05,400	3,21,666
Printing & stationery expense	19,122	64,61,406
Business promotion expense	-	43,27,245
Postage and courier	83,915	41,76,512
Repairs and maintenance		
Building	2,60,073	25,72,219
Others	-	10,000
Vehicle maintenance expenses	73,772	80,500
Security expenses	-	6,37,460
Communication expenses	89,967	44,614
Travelling and conveyance	64,944	17,97,543
Miscellaneous expenses	69,647	15,26,017
Total	18,13,109	2,85,62,848

A Payment to auditor

	For the year ended March 31, 2021	For the year ended March 31, 2020
As auditor:		
Audit fee	30,000	30,000
Tax audit fees	10,000	10,000
Others	1,65,400	2,81,666
Total	2,05,400	3,21,666

24 Earnings per share (EPS)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Total operations for the year		
Net Profit/(loss) for calculation of basic/diluted earnings per share	52,27,746	(15,16,416)
Weighted average number of equity shares in calculating basic earnings/(loss) per share (No.)	10,000	10,000
Basic/Diluted earnings / (loss) per share (Rs)	522.77	(151.64)

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25 Leases

The company has taken office premises under operating lease agreement. The lease rental recognized during the year in the statement of profit and loss is Rs. 5,15,052 (31 March 2020: Rs. 4,055,151).

26 Details of dues to micro and small enterprises as defined under MSMED Act 2006

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
Principal amount due to micro and small enterprises	2,912	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006.	-	-

27 Contingent liablities

	As at March 31, 2021	As at March 31, 2020
Service Tax Demand*	5,74,74,132	-
Income Tax**	6,22,719	-
Others***	12,09,535	-
Total	5,93,06,386	-

* The Company has received demand Cum-Show cause Notice no. 46 / 2020-21 dated September 18, 2020 for non-payment of Service tax liability on reverse charge and non / short payment of interest amounting to Rs. 57,473,132 from Indirect Tax Department. The Company has disputed the liability and is in the process of filing appeal to the higher authority. The Company based on internal assessment believes chances of any liability devolving on this matter is not probable and hence have not provided for any amounts in the financial statements.

** The Company has received demand of Rs. 622,719 for mismatch in the income tax return for the Financial year 2018-19 on income tax e - portal. The Company is in the process of identifying and making necessary rectification in the return of income. Further, the management belives that the ultimate outcome of this recitfication / amendments will not have a material adverse impact on the Company's financial position and results of operation.

*** The Company has not paid rent for certain period during the financial year 2020-21 and has requested waiver from the landlord amid lockdown and closure of busines due to COVID pandamic. The company is in negotiation with the landload and does not anticipates and material impact on the financial statements.

28 Unhedged foreign currency exposure

	As at March 31, 2021		As at March 31, 2020	
	(FCY)	(Rs.)	(FCY)	(Rs.)
Trade Payables/(Receivables)				
EURO @ 1EURO = INR 85.701 (March 31, 2020: 1 EURO = INR 83.20)	(1,121)	(96,104)	4,049	3,36,895
USD @ 1USD = INR 73.2035 (March 31, 2020: 1 USD = INR 75.50)	65,397	47,87,312	2,13,230	1,60,98,878
Total	64,276	46,91,208	2,17,279	1,64,35,773

29 Supplementary statutory information (as applicable)

	As at March 31, 2021	As at March 31, 2020
(a) Expenditure in foreign currency		
Overseas Visa System Charges	26,78,753	21,13,82,199
Total	26,78,753	21,13,82,199

30 Related party disclosures

a) Names of related parties and related party relationship

Subsidiary Company	**IV Processing Private Limited (till March 30, 2021)** **Window Malay Visa Private Limited**
Associate Enterprises	**OSC Global Processing Private Limited***
b) Key Management Personnel	**Rajinder rai (Director)** **Madhurima Rai (Director)** **Krishna Kumar (Director w.e.f Sept 18, 2020)**
c) Relatives of KMP and entities where KMP are interested	**Shivaz rai** **Bharat Sidheshwar Rai** **Kanika Rai (wife of Mr. Bharat Sidheshwar Rai)** **MS Consulting (Shivaz Rai holding interest in the firm)** **BSR Global DMCC (Bharat Sidheshwar Rai holding interest in the entity)** **DU Digital Office Technologies Lanka (Private) Limited (Bharat Sidheshwar Rai and Kanika Rai holding interest in the entity)** **Swiftravel International Pvt Ltd (Rajinder rai, Madhurima Rai and Bharat Sidheshwar Rai holding interest in the entity)**

* the Company holds 48.99 % shares in Associate enterprise till May 03, 2021. The associate enterprise becomes subsidiary company w.e.f May 04, 2021 with 95.36% shareholding.

	As at March 31, 2021	As at March 31, 2020
A) Transactions during the year		
i) Other Support service		
MS Consulting	14,35,000	-
ii) Other income		
Profit on sale of investment in Subsidiary company		
BSR Global DMCC (Sale value of investment is Rs. 51,08,367)	40,08,477	-
Interest on loan/advance to related parties		
Bharat Sidheshwar Rai	7,23,245	-
iii) Professional fees Paid		
OSC Global Processing Private Limited	-	1,50,000
iv) Remuneration paid		
Rajinder rai	-	11,83,871
Krishna Kumar	2,04,800	-
v) Rent		
Rajinder rai	-	30,00,000
vi) Travelling and conveyance		
Swiftravel International Pvt Ltd	13,800	8,45,914
vii) Loans and advances to subsidiary companies/KMP		
IV Processing Private Limited	-	10,00,000
Window Malay Visa Private Limited	1,29,990	7,97,538
Rajinder rai	14,69,891	55,14,922
viii) Loan from related party		
Shivaz Rai	5,00,000	-
ix) Repayment / adjustment of advance to subsidiary companies / KMP		
IV Processing Private Limited	8,99,169	1,00,831
Window Malay Visa Private Limited	4,85,000	-
Rajinder rai	69,57,263	26,96,513
x) Reiumbersment claimed for payment made on behalf of related party		
DU Digital Office Technologies Lanka (Private) Limited	79,620	40,02,453
xi) Payment received against reimbursement from related party		
DU Digital Office Technologies Lanka (Private) Limited	-	40,17,829

xii) Balance (Payable)/Receivable at the year end

IV Processing Private Limited	-	8,99,169
Window Malay Visa Private Limited	4,42,528	7,97,538
OSC Global Processing Private Limited	(1,05,90,620)	(1,82,33,835)
Rajinder rai	1,57,483	56,44,855
Bharat Sidheshwar Rai	37,08,745	29,85,500
Shivaz Rai	(5,00,000)	-
Krishna Kumar	4,25,578	-
MS Consulting	16,93,300	-
BSR Global DMCC	84,69,671	-
DU Digital Office Technologies Lanka (Private) Limited	28,85,512	28,05,892
Swiftravel International Pvt Ltd	(13,800)	-

31 Gratuity and other post-employment benefit plans

Defined benefit plan

The Company has a defined benefit gratuity plan. Every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The plan is unfunded.

The following table summarises the components of net benefit expense recognised in the statement of profit and loss account and amounts recognised in the balance sheet for the gratuity and Leave Encashment.

Statement of Profit and Loss

Net employee benefit expense recognised in employee cost	As at March 31, 2021	As at March 31, 2020
Current service cost	1,89,237	1,74,098
Past service cost	-	-
Interest cost on benefit obligation	20,634	11,607
Expected Return on Plan Assets	-	-
Net actuarial (gain) / loss recognized in the year	(4,332)	(53,353)
Net Benefit Expense	2,05,539	1,32,352

Balance sheet

Benefit asset/ (liability)	As at March 31, 2021	As at March 31, 2020
Present value of defined benefit obligation	5,06,981	3,01,442
Fair value of plan assets	-	-
Plan liability	5,06,981	3,01,442

Changes in the present value of the defined benefit obligation are as follows:	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	3,01,442	1,69,090
Interest cost	20,634	11,607
Past service cost	-	-
Current service cost	1,89,237	1,74,098
Actuarial (gain)/loss on obligation	(4,332)	(53,353)
Closing defined benefit obligation	5,06,981	3,01,442

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.75%	6.85%
Increase in Compensation Cost	5.00%	5.00%

Amounts for the current and previous periods are as follows:

	As at March 31, 2021	As at March 31, 2020
Defined benefit obligation	5,06,981	3,01,442
Plan assets	-	-
Surplus / (deficit)	(5,06,981)	(3,01,442)
Experience adjustment on plan Liabilities (loss)/Gain	-	-

32 On the basis of nature of risks and returns of the group, it has only one business segment of providing visa services to its customer No separate segment disclosure is required.

33 The outbreak of Coronavirus (COVID-19) pandemic globally is causing significant disturbance and slowdown of activity with economic and social disruption to the Company impacting trade receivables, loans and advances and other current assets. In assessing the recoverability of such assets, the Company has considered internal and external information, performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic condition. Further, there have been no material changes in the controls or processes followed in the financial statements closing process of the Company.

34 Previous year figures have been audited by firm other than Mukesh Raj & Co. Further, numbers of previous years have been regrouped/ reclassified wherever necessary, to conform to the current year's classification.

As per our report of even date

For Mukesh Raj & Co.
ICAI Firm Registration No. 016693N
Chartered Accountants

SD/-
Per Mukesh Goel
Partner
Membership No.: 094837

Place: New Delhi
Date: June 18, 2021

For and on behalf of the Board of Directors of
DU DIGITAL TECHNOLOGIES LIMITED

For DU Digital Technologies Ltd.

SD/-Director
Rajinder Rai
Director
DIN- 0000024523

Place: New Delhi
Date: June 18, 2021

For DU Digital Technologies L

SD/-
Direc

SD/-
Madhurima Rai
Director
DIN- 0000239410

Place: New Delhi
Date: June 18, 2021

SD/-
Bipin Durgapal
Chief Financial Officer

Place: New Delhi
Date: June 18, 2021

SD/-
Jinkal Ashwin Shah
Company Secretary
Membership No: 40722
Place: New Delhi
Date: June 18, 2021