

**C-Square Info-Solutions Private Limited**  
**Financial Statements**  
**2019-20**

## Independent Auditors' Report

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**Independent Auditors' Report  
To the Members of  
C-Square Info-Solutions Private Limited  
Report on the Financial Statements**

### Opinion

We have audited the accompanying financial statements of **C-Square Info-Solutions Private Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit & Loss, Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2020 and its loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's Responsibility for the Financial Statements

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern basis, 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.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 financial statements.

### Report on Other Legal and Regulatory Requirements

As required by Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the "**Annexure-A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representation received from the Directors as on March 31, 2020, taken on record by Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a Director in terms of section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”; and
- 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 Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has confirmed that it has no pending litigations which would impact the financial position as reflected in its Ind AS financial statements as of March 31, 2020 significantly.
  - (ii) The Company has confirmed that it has not entered into any Long-Term Contracts which would result in material foreseeable losses to the Company.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and protection Fund by the Company.

For **SUNDARARAJAN & HARISH**,  
Chartered Accountants,  
Firm’s Registration number: 004218S

**(S Harish Babu)**  
Partner  
Membership Number: 023977

Place : Bangalore  
Date : 04/04/2020  
UDIN : 20023977AAAAAQ9799

## “Annexure A “ to Independent Auditor’s Report

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The Annexure referred to in our report to the members of **C-Square Info-Solutions Private Limited** (‘the company’) for the year ended 31 March 2020, we report that:

**(i) Fixed Assets**

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- b) As explained to us, all the fixed assets have been physically verified by the Management periodically, which in our opinion the programme of verification is reasonable, having regard to the size of the Company and nature of its assets. Management confirms that no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, it has no immovable properties as on the date of balance sheet. Clause (c) (i) of paragraph 3 of the Order is not applicable to the company.

**(ii) Inventory**

- a) The Company holds software licenses as stock and the Company maintains an Account of Purchases and sales.
- b) Physical verification of stocks is not applicable.

**(iii) Loans and Advances**

As could be verified from the records furnished and the explanations given to us the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

- (iv) In our opinion and according to the information and explanations given to us, the Company has not directly or indirectly advanced any loan or given guarantee or securities in connection with the loan taken by persons covered under section 185 of the Act. Company has not made any investments or given guarantee or security as defined under section 186 of the Act.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act.

**(vii) According to the information and explanations given to us in respect of statutory dues:**

- a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income tax, Sales tax, Goods and Service tax and other material statutory dues applicable to it with the appropriate authorities. There are no arrears of undisputed Outstanding statutory dues as at 31-03-2020, for a period of more than six months from the date they became payable.
- b) There are no cases covered under clause 4(vii) (b) of the order.

**(viii)** The Company has not defaulted in repayment of loans or borrowing due to banks, financial institution or government.

**(ix)** The Company has not raised moneys by way of initial public offer or further public offer during the year. The company did not raise any money by way of term loan during the year.

**(x)** To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

**(xi)** The Company became a deemed public company due to change in shareholding. The remuneration paid to managerial person is below the limit specified under schedule-V read with section 197 of the Companies Act, 2013.

**(xii)** The Company is not a nidhi company and hence, reporting paragraph 3(xii) of the Order is not applicable to the company.

**(xiii)** According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 & 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is yet to constitute an audit committee.

- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of 660000 compulsorily convertible preference shares and rights issue of 660000 compulsorily convertible preference shares to one of its shareholders at a premium of Rs. 141.51 during the year. The requirements of section 42 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **SUNDARARAJAN & HARISH**,  
Chartered Accountants,  
Firm's Registration number: 004218S

**(S Harish Babu)**  
Partner  
Membership Number: 023977

Place : Bangalore  
Date : 04/04/2020  
UDIN : 20023977AAAAAQ9799

## **“Annexure (B)” to The Independent Auditor’s Report**

**Annexure -B to the Independent Auditor’s Report on the Financial Statements of C-Square Info-Solutions Private Limited (Referred to in paragraph 2(f) under Report on Other Legal and Regulatory Requirements)**

**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 **C-Square Info-Solutions Private Limited** (‘the Company’) as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s Management is responsible for establishing and maintaining internal financial controls based on 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 (‘ICAI’). These responsibilities include 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 Company’s internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the ‘Guidance Note’) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the adequate internal financial controls over financial reporting were 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 internal financial control systems over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risks that a material weakness exists, and testing

## "Annexure B" to Independent Auditor's Report

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and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SUNDARARAJAN & HARISH**,  
Chartered Accountants,  
Firm's Registration number: 004218S

**(S Harish Babu)**  
Partner  
Membership Number: 023977

Place : Bangalore  
Date : 04/04/2020  
UDIN : 20023977AAAAAQ9799

## Balance Sheet as at 31st March 2020

Absolute figures in Rs.			
	Note	Ind AS As at 31st Mar'20	Ind AS As at 31st Mar'19
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	1	7,950,838	6,267,793
Capital Work-in-Progress	-	-	
Intangible Assets	1	44,566,190	12,262,633
Intangible Assets under Development		123,660,088	5,725,858
Financial Assets	-		
Investments	2	-	-
Loans	3	-	-
Other Non-current assets	4	6,628,230	6,362,500
Deferred Tax Asset(Net)		<u>3,719,174</u>	<u>2,845,172</u>
		186,524,520	33,463,956
<b>Current Assets</b>			
Inventories	5	690,430	661,996
Financial Assets			
Investments	6	-	-
Trade Receivables	7	12,915,742	22,395,674
Cash & Bank Balance	8	66,285,729	3,337,009
Loans	9	-	-
Others Financial Asset	10	293,150	124,096
Other Current Assets	11	<u>10,095,662</u>	<u>6,989,021</u>
		90,280,711	33,507,796
<b>TOTAL</b>		<b><u><u>276,805,231</u></u></b>	<b><u><u>66,971,752</u></u></b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	12	17,820,000	17,820,000
Other Equity	13	<u>189,539,996</u>	<u>(9,585,343)</u>
		207,359,996	8,234,657
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
Financial Liabilities			
Borrowings	14	-	15,000,000
Other Financial Liabilities	-	-	
Provisions	-	-	
Deferred Tax Liability (net)	-	-	
Other Non-Current Liabilities	15	<u>40,972,182</u>	<u>3,995,405</u>
		40,972,182	18,995,405

## Balance Sheet as at 31st March 2020

				Absolute figures in Rs.	
	Note	Ind AS As at 31st Mar'20	Ind AS As at 31st Mar'19		
<b>Current Liabilities</b>					
Financial Liabilities					
Borrowings	16	-	507,122		
Trade Payables	17	8,100	15,294		
Other Financial Liabilities	18	-	-		
Other Current liabilities	19	14,321,308	19,800,788		
Short Term Provisions	20	14,143,645	19,418,486		
		<u>28,473,053</u>	<u>39,741,690</u>		
<b>TOTAL</b>		<u><b>276,805,231</b></u>	<u><b>66,971,752</b></u>		

See accompanying notes to the financial statements

As Per Our Report Of Even Date  
**for Sundararajan & Harish**  
 Chartered Accountants  
 Firm Registration No. : 004218 S

**S Harish Babu**  
 Partner  
 Membership No. 023977

Place : Bangalore  
 Date : 04/04/2020  
 UDIN: 20023977AAAAAQ9799

**For and on behalf of the Board**

**(Sripal Bachawat)**  
 Director  
 DIN: 00225582

**(Sajith Thattalath)**  
 Director  
 DIN: 00225716

## Profit & Loss statement for the year ended 31st March 2020

		Absolute figures in Rs.	
	Note	Ind AS 2019-20	Ind AS 2018-19
<b>Income</b>			
Revenue from Operations	21	146,671,155	148,355,484
GST recovered		22,590,335	22,860,756
Revenue from Operations (Net of GST)		124,080,820	125,494,728
Other Income	22	2,122,313	204,332
<b>Total Revenue</b>		<b>126,203,133</b>	<b>125,699,060</b>
<b>Expenditures</b>			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of Finished Goods , Stock-in-Process and Stock-in-Trade	23	(28,434)	89,005
Employee Benefits Expense	24	87,943,245	91,159,740
Finance Cost	25	2,774,121	1,202,842
Depreciation and Amortisation Expense	26	9,561,652	6,429,091
Other Expenses	27	27,463,375	63,622,065
<b>Total Expenses</b>		<b>127,713,959</b>	<b>162,502,744</b>
Profit before tax and after Extraordinary Items		<b>(1,510,826)</b>	<b>(36,803,683)</b>
<b>Tax Expenses</b>			
Current tax		231,036	584,910
Deferred tax		(874,002)	(3,056,030)
<b>Profit for the period</b>		<b>(867,860)</b>	<b>(34,332,563)</b>
<b>Other Comprehensive Income</b>			
<b>Items that will be reclassified to Profit or loss</b>			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Items that will be reclassified to profit or loss		-	-
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive income (Net of Tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive income for ther period</b>		<b>(867,860)</b>	<b>(34,332,563)</b>
<b>Earnings Per Equity Share</b>			
Basic and Diluted		-	-
See accompanying notes to the financial statements			

As Per Our Report Of Even Date  
**for Sundararajan & Harish**  
Chartered Accountants  
Firm Registration No. : 004218 S

**For and on behalf of the Board**

**S Harish Babu**  
Partner  
Membership No. 023977

**(Sripal Bachawat)**  
Director  
DIN: 00225582

**(Sajith Thattalath)**  
Director  
DIN: 00225716

Place : Bangalore  
Date : 04/04/2020  
UDIN: 20023977AAAAAQ9799

## Cash Flow Statement for the Year Apr'19-Mar'20

	<b>Absolute figures in Rs.</b>
	<b>Apr'19-Mar'20</b>
<b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>	
<b>Net Profit Before Tax as per Statement of Profit and Loss</b>	(1,510,826)
Adjusted for:	
Share of (Profit) / Loss of Associates and Joint Ventures	-
(Profit) / Loss on Sale / Discard of Property, Plant and Equipment and Other Intangible Assets (Net)	(18,898)
Depreciation / Amortisation and Depletion Expense	9,561,652
Amortisation of Lease Rent	-
Effect of Exchange Rate Change	-
Profit on Divestment of Stake	-
Gain on Financial Assets	-
Dividend Income	-
Interest Income	(2,103,415)
Finance Costs	<u>2,774,121</u>
<b>Operating Profit before Working Capital Changes</b>	8,702,634
Adjusted for:	
Trade and Other Receivables	5,938,508
Inventories	(28,434)
Trade and Other Payables	<u>(12,529,216)</u>
<b>Cash Generated from Operations</b>	2,083,492
Taxes Paid (net)	(231,036)
<b>Net Cash Flow from Operating Activities</b>	<b>1,852,456</b>
<b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>	
Purchase of Property, Plant and Equipment and Other Intangible Assets	(122,753,006)
Proceeds from disposal of Property, Plant and Equipment and Other Intangible Assets	33,898
Purchase of Investment in Subsidiaries/Trusts	
Disposal of Investment in Subsidiaries	
Purchase of Other Investments	
Sale of Other Investments/ Proceeds from sale of financial assets	
Net Cash Flow for Other Financial Assets	
Maturity of / (Investment in) Fixed Deposits	
Interest Income	2,103,415
Dividend Income from Subsidiary and Associates	
Dividend Income from Others	
<b>Net Cash Flow (used in) Investing Activities</b>	<b>(120,615,693)</b>

## Cash Flow Statement for the Year Apr'19-Mar'20

	Absolute figures in Rs.
	Apr'19-Mar'20
<b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>	
Proceeds from Issue of Equity Share Capital	
Proceeds from Issue of Share Capital to Non Controlling Interest	199,993,200
Redemption of Preference Share Capital of Non Controlling Interest	
Share Application Money	
Proceeds from Borrowing - Non current	
Repayment of Borrowing - Non current	(15,000,000)
Borrowing - Current (Net)	(507,122)
Deferred Payment Liabilities	
Dividends Paid (including Dividend Distribution Tax)	
Interest Paid	(2,774,121)
Movement in Deposit	
Payment of Lease Liabilities	
Net Cash From / (Used in) Financing Activities	<b>181,711,957</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>	<b>62,948,720</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>3,337,009</b>
<b>Add: Upon addition of Subsidiaries</b>	
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>66,285,729</b>

As Per Our Report Of Even Date  
**for Sundararajan & Harish**  
 Chartered Accountants  
 Firm Registration No. : 004218 S

**S Harish Babu**  
 Partner  
 Membership No. 023977

Place : Bangalore  
 Date : 04/04/2020  
 UDIN: 20023977AAAAAQ9799

**For and on behalf of the Board**

**(Sripal Bachawat)**  
 Director  
 DIN: 00225582

**(Sajith Thattalath)**  
 Director  
 DIN: 00225716

## Statement of Changes in Equity for the Year Ended 31st March, 2020

(All amounts in Indian Rupees)

**A Equity Share Capital****Amount in Rs**

	Balance at the beginning of the reporting year ie 1st April 2019	Changes in equity share capital during the period	Balance at the end of the reporting year ie 31st March 2020
Equity Shares of Rs. 10/- each	<b>17,820,000</b>	-	<b>17,820,000</b>

**B Other Equity****Amount in Rs**

	Particulars	Share Application money Pending allotment	Instruments Classified as Equity	Reserves & Surplus		Total
				Securities Premium	Retained Earnings	
i)	<b>As on 31st March, 2020</b>					
	Balance at beginning of the reporting year ie 1st April 2019	-	-	2,415,000	(12,000,343)	(9,585,343)
ii)	Income/(Loss) for the year	-	-	-	(867,860)	(867,860)
iii)	Share Application Money Received during the Period towards issue of CCPS	-	-	-	-	-
iv)	<b>Shares issued</b>		13,200,000	186,793,200		199,993,200
	<b>Balance at the end of the reporting year ie 31st March 2020</b>	<b>-</b>	<b>13,200,000</b>	<b>189,208,200</b>	<b>(12,868,204)</b>	<b>189,539,996</b>

As Per Our Report Of Even Date  
**for Sundararajan & Harish**  
 Chartered Accountants  
 Firm Registration No. : 004218 S

**S Harish Babu**  
 Partner  
 Membership No. 023977

Place : Bangalore  
 Date : 04/04/2020  
 UDIN: 20023977AAAAAQ9799

**For and on behalf of the Board**

**(Sripal Bachawat)**  
 Director  
 DIN: 00225582

**(Sajith Thattalath)**  
 Director  
 DIN: 00225716

## Notes Forming Part of the Financial Statements

### A. Corporate Information:

The Company M/s C-Square Info-Solutions Private Limited was incorporated on 18<sup>th</sup> July 2002 having CIN U72900KA2002PTC030784. The address of its Registered Office is No. No.69, 2<sup>nd</sup> Floor, Al-Ameen Towers, Hosur Road, Bangalore – 560 027. The company is engaged in design, development and implementation of software application for pharmaceutical distributors, wholesalers, retailers and corporate chains.

### 1. Significant Accounting Policies:

1.1 The Financial Statements of the Company are prepared under the historic cost convention. The financial statements of the Company have been prepared to comply with the Indian Accounting Standards ('Ind AS'), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013.

### 1.2 Summary of Significant Accounting Policies:

#### a) Property, Plant and Equipment:

Property, plant and equipment are stated at cost, net of accumulated depreciation.

Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost are measured reliably.

Depreciation is provided based on useful life of the asset as prescribed in Schedule II to the Companies Act, 2013.

#### Tangible Assets

These are amortized under:

Type of Asset	Method	Useful Life
Furniture & Fixture	Straight line	10 Years
Computer & Accessories	Straight line	3 years
Office Equipment	Straight line	5 years
Electrical Installation	Straight line	10 years
Leasehold Improvement	Straight line	10 years
Vehicles	Straight line	10 years

#### Intangible Assets

These are amortized as under:

Nature of Intangible	Useful lives	
Software	purchased	6 Years
In-house Developed Software	Product	5 years

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.

The Carrying value of Tangible assets under previous Accounting standard is recognized as deemed cost.

#### b) Finance Cost

Borrowing cost is charged to the Profit and Loss Statement in the year in which they are incurred.

#### c) Inventories

Inventories comprise of software licenses which are packaged with the proprietary products of the company and sold. Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any.

#### d) Impairment of non-financial assets

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible asset or group of assets may be impaired. If any such indication exists the recoverable amount of an asset

## Notes Forming Part of the Financial Statements

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is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the assets to which the asset belongs.

An impairment loss is recognized in the Statement of Profit and Loss to the extent assets' carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

The carrying value of the in-house developed software product is reviewed for diminution and appropriately amortized.

**e) Provisions**

Provisions are recognized when the Company has a present obligation as a result of past events. 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.

**f) Employee Benefit Expenses**

**Short term Employee Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange of the services rendered by employees are recognized as an expense during the period when the employees render the services.

**Post-Employment Benefits**

**Defined Contribution Plans**

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for services received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**Defined Benefit Plans**

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation/superannuation. The gratuity is paid @ 15 days salary for every completed year of service as per the payment of Gratuity Act 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using actuarial method and spread over the period during which the benefit is expected to be derived from employees' services.

Contribution to gratuity fund is made to LIC Of India Insurance Company in accordance with the scheme framed by the Insurance Company.

**g) Tax Expenses**

The tax expense for the period comprises current and deferred tax.

**Current Tax**

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

**Deferred Tax**

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized 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.

**h) Foreign currencies**

In case of Exports made to customers outside India, sale is accounted on the basis of the exchange rates as on the date of the transaction. Adjustments are made for any variation in the payments made on conversion into foreign currency upon

## Notes Forming Part of the Financial Statements

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actual receipts. Similar method is followed in case of Imports. For other expenditure in foreign currency rates prevalent on the day of the transaction is adopted.

Exchange differences arising on settlement or translation are recognized in Statement of Profit and Loss.

**i) Revenue Recognition**

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

- 1) Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer.
- 2) Annual Service contracts: Revenue is recognized on time proportion basis distributed across the period of contract.
- 3) Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- 4) Subscription income: Revenue is recognized on time proportion basis distributed across the period of contract.

**j) Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents include cash on hand and balance with banks in current and deposit accounts.

**k) Segment Reporting**

The Company is not engaged in multiple business segments. Hence there is no segment reporting.

**l) Leases**

The cash value of fixed assets acquired under hire purchase contracts is capitalized and depreciated in accordance with the fixed assets and depreciation policy of the company. Interest payable under the hire purchase contracts, is charged on the diminishing balance method to the statement of profit and loss over the period of the hire purchase contracts.

Lease payments under operating lease are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

**m) Inventories**

The Company has adopted the policy of valuing the inventories at cost or net realizable value whichever is lower.

**n) Use of Estimates**

The preparation of the Financial Statements in conformity with Ind AS requires Management to make judgment and assumptions. These estimates and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expense during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgment and the use of assumptions in these financial statements have been disclosed in Note (o) below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimated are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

**o) Critical accounting estimates:**

The preparation of the Company's Financial Statements requires management to make judgment, estimates and assumptions that affect the reported amount revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial year.

**i) Depreciation and useful lives of property, plant and equipment**

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account

## Notes Forming Part of the Financial Statements

their estimated residual value. Management reviews the estimated useful lives of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values are based on the company's historical experience with similar assets and take into account anticipated technological changes. The depreciation for future periods is adjusted if there are significant changes from the previous estimates.

ii) Recoverability of trade receivable:

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

iii) Valuation of intangible Assets & amortization:

The Company is developing several proprietary intangible products ( In common parlance known as software products), where-in expenditure incurred during the development phase is recognized as its value for capitalization. The release of Beta version of the product and acquisition of the critical mass of customers, on subscription model of revenue, triggers the beginning of amortization.

During the year the following expenses were transferred to Intangible assets under Development having identified them as expenses directly associated with Development activity as per IND AS 38

	<u>Rs. Lakhs</u>
Employee Costs	822.26
Software Licenses & Web Hosting charges	224.95
Other Expenses	100.95
Depreciation & Amortization costs	40.06
Total	<u>1,188.23</u>

- The normal useful life of these assets is estimated to be over 60 months where future economic benefits are expected to flow into the Company. However, they are subjected to annual impairment tests and whenever there is an indication that the intangible asset may be impaired.
- Straight line method is used for amortization.
- The Gross carrying amount of the intangible asset: 1,88,32,741/-
- Accumulated amortization and impairment losses: 1,05,60,865/-
- Line items in the income statement in which amortization is included for the period:

<b>Particulars</b>	<b><u>April- Mar 20</u></b>
Depreciation on tangible assets	22,32,407
Amortization of Intangible assets	39,87,252
Amortization of Leased Assets	33,41,993
Total	<u>95,61,652</u>

**p) Amendment to Existing Indian Accounting Standards issued**

The MCA has carried out amendments of the following accounting standards vide Notification dt. 30-03-2019.

- Ind AS 19 – Employee Benefits.
- Ind AS 28 – Investment in Associates and Joint Ventures.
- Ind AS 109 – Financial Instruments.
- Ind AS 103 – Business Combinations.
- Ind AS 111 – Joint Arrangements
- Ind AS 23 – Borrowing Costs
- Ind AS 12 – Income Taxes

Ind AS 28, Ind AS 103, Ind AS 111 & Ind AS 23 are not applicable to the company.

Amendment to Ind AS 19, Ind AS 109 & Ind AS 12 do not have any significant impact on the Company's financial statements.

## Notes Forming Part of the Financial Statements

### 2.1 Other Notes: Amount (Rs. Lakhs)

SI No	Particulars	March 31, 2020	March 31, 2019
1	Payment to auditors:·		
	• Audit fees·	7.00	5.00
	• Professional fees (For other services)	0.50	2.91
2	Expenditure in foreign currency	26.81	7.37
3	Earnings in foreign currency	Nil	Nil
4	Capital Commitments Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil	Nil
5	Contingent liabilities not provided for-		
	- Claims against the Company not acknowledged as debts	61.00	61.00
	- Bank Guarantees given	20.00	20.00
6	Managerial Remuneration paid/payable during the year	200.00	70.00
7	The No. of employees throughout or part of the financial year and who are in receipt of remuneration of Rs. 8,50,000/- or more per month or Rs. 102,00,000/- per annum	NIL	Nil

2.2 **Secured loans from Bank:** The Company has no credit facilities with any bank or financial institutions.

2.3 **Related Party Transaction:** The Company has entered into the following transactions with related parties

(Rs. in Lacs)

SI No	Name	Relationship	Nature of Transactions	Op Bal as on 01-04-2019	Amount	Paid	Received	Balance as on 31-03-2020
1	Sripal Bachawat	Director	Remuneration	1.95	100.00	101.74	-	0.21
			Loan taken	150.00	150.0	-	-	
			Interest paid	0.85	2.79	3.64	-	
2	Sajith Thattalath	Director	Remuneration	1.95	100.00	101.74	-	0.21

### 2.4 Deferred Tax Asset -DTA

The movement on the deferred tax account is as follows:

(Rs. In Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
i) Depreciation	3.81	1.86
ii) Disallowance under Income tax Act	4.84	2.14
iii) C/f of Losses	28.54	24.45
<b>Total Net DTA/(DTL)</b>	<b>37.19</b>	<b>28.45</b>

## Notes Forming Part of the Financial Statements

### 2.5 Earning per Share (EPS)

Particulars	2019-20	2018-19
i) Net Profit/(Loss) available for Equity Share holders (Rs in lakhs)	(8.68)	(343.32)
ii) Weighted average No. of Equity shares used as denominator for calculating EPS (Shares)	1782000	1768436
iii) EPS (Rs)(Equity share of face value of Rs. 10/- each)		
a) Basic	-	-
b) Diluted	-	-

### 2.6 Adoption of new accounting standard on Leases – Ind AS 116

The Company has adopted Ind AS 116 “Leases” effective April 1, 2019 and applied the standard to its leases prospectively. This has resulted in recognizing a Right-of-Use Asset of Rs. 4,10,66,880 and a corresponding lease liability of Rs 4,10,66,880 as at April 1, 2019.

Resulting impact in the financial results of current year is increase of Rs. 56,64,397/- and Rs. 41,06,688/- in depreciation for right-of-use assets and finance cost on lease liability respectively and decrease in lease rent cost of Rs. 74.64.342/-.

### 2.7 As per Ind AS -19 - Employee Benefits;

#### Defined Contribution Plan

Contribution to Defined contribution plan, recognized as expenses for the year are as under; (Rs in Lakhs)

	FY 2019-20	FY 2018-19
Employer’s contribution to Employees Provident Fund	18.33	10.71
Employer’s contribution to Employees Pension Scheme	41.31	24.34

#### Defined Benefit Plan

##### Gratuity

The non-funded status of the Gratuity Plan and the amounts recognized in the financial statements are as follows;

(Rs in Lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Change in benefit obligations		
Benefit obligations at the beginning	145.32	-
PV of Past Service Benefit	71.21	119.12
Current Service cost	38.60	24.57
LC premium & Taxes	1.59	1.63
Defined benefit obligation at year end	111.39	145.32
<b>Actuarial Assumptions</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Mortality Table (LIC)	2006-08 (Ultimate)	2006.08 (Ultimate)
Discounted rate (per annum)	7.25 % p a	7.50% p a
Salary Escalation	7.00 % p a	7.00% p a

## Notes Forming Part of the Financial Statements

### 2.8 Exceptional items – Prior Period Expenses

Particulars	(Rs in Lakhs)	
	FY 2019-20	FY 2018-19
Gratuity as per Actuarial valuation	-	119.12
Bonus to Employees	-	7.97
Incentives to employees	-	41.18
<b>Total</b>	-	<b>168.27</b>

### 2.9 Trade Receivables;

#### a) Trade Receivables < 180 Days

Sl No.	Particulars	Amount (Rs) 31-03-2020	Amount(Rs) 31-03-2019
i)	Receivables considered good - Unsecured *	59,78,454	90,50,912
	<b>Total</b>	<b>59,78,454</b>	<b>90,50,912</b>

\* advance from customers Rs. 20,95,566/- (P Y Rs. 16,35,244/-) is netted off against Trade Receivable

#### b) Trade Receivables >180 Days

Sl No.	Particulars	Amount (Rs) 31-03-2020	Amount(Rs) 31-03-2019
i)	Receivables which have significant increase in Credit Risk	69,37,288	1,04,11,132
ii)	Receivables - Credit impaired	Nil	29,33,630
	<b>Total</b>	<b>69,37,288</b>	<b>1,33,44,762</b>

- 2.9 There are no payables exceeding 45 days from the date of receipt of material/services from MSME Enterprises.
- 2.10 The Company is a Small and Medium Sized Company (SMC) as defined in the general instructions in respect of accounting standards notified under the Companies Act, 2013. Accordingly, the Company has complied with the Accounting standards as applicable to the SMC.
- 2.11 Balances of debtors, advances, deposits, payables and trade creditors are subject to confirmation.
- 2.12 The figures of the previous year have been regrouped/reclassified wherever necessary to conform to the Current year's presentation.

## Notes Forming Part of the Financial Statements

All amounts in Indian Rupees

### Fixed Assets Schedule

Note	Description	Gross Block			Depreciation			Net Block		
		As at 01-04-2019	Additions/ Adjustments	Deductions/ Adjustments	As at 31-03-2020	For the Year	Deductions/ Adjustments	Upto 31-03-2020	As at 31-03-2020	As at 31-03-2019
1	<b>Property, Plant and Equipment</b>									
	<b>OWN ASSETS</b>									
	Leasehold Land	-	-	-	-	-	-	-	-	-
	Freehold Land	-	-	-	-	-	-	-	-	-
	Buildings	-	-	-	-	-	-	-	-	-
	Plant & Machinery	-	-	-	-	-	-	-	-	-
	Electrical Installations	784,040	-	-	784,040	74,546	-	291,282	492,758	567,304
	Equipments	2,521,037	140,275	-	2,661,312	430,234	-	1,835,232	826,080	1,116,039
	Furniture & Fixtures	458,850	79,881	-	538,731	44,427	-	198,713	340,017	304,564
	Vehicles	905,208	-	300,000	605,208	6,974	285,000	525,711	79,497	101,471
	Leasehold Improvement	3,677,865	-	-	3,677,865	350,355	-	1,241,052	2,436,813	2,787,168
	Computers & Accessories	6,812,351	3,710,296	-	10,522,647	1,325,872	-	6,746,976	3,775,671	1,391,248
	<b>Sub-Total</b>	<b>15,159,351</b>	<b>3,930,451</b>	<b>300,000</b>	<b>18,789,802</b>	<b>2,232,407</b>	<b>285,000</b>	<b>10,838,966</b>	<b>7,950,837</b>	<b>6,267,793</b>
	<b>LEASED ASSETS</b>									
	Plant & Machinery	-	-	-	-	-	-	-	-	-
	Ships	-	-	-	-	-	-	-	-	-
	Right of Use of Assets	-	41,066,880	-	41,066,880	3,341,993	2,322,404	5,664,397	35,402,483	-
	<b>Sub-Total</b>	<b>-</b>	<b>41,066,880</b>	<b>-</b>	<b>41,066,880</b>	<b>3,341,993</b>	<b>2,322,404</b>	<b>5,664,397</b>	<b>35,402,483</b>	<b>-</b>
	<b>INTANGIBLE ASSETS</b>									
	Technical Knowhow Fees	-	-	-	-	-	-	-	-	-
	Spectrum Cost	-	-	-	-	-	-	-	-	-
	Software	2,218,044	-	-	2,218,044	240,076	-	1,326,213	891,830	1,131,906
	Development Rights	-	-	-	-	-	-	-	-	-
	Developed Software	17,944,416	888,325	-	18,832,741	3,747,176	-	10,560,865	8,271,876	11,130,727
	<b>Sub-Total</b>	<b>20,162,460</b>	<b>888,325</b>	<b>-</b>	<b>21,050,785</b>	<b>3,987,252</b>	<b>-</b>	<b>11,887,078</b>	<b>9,163,707</b>	<b>12,262,633</b>
	<b>Total</b>	<b>35,321,811</b>	<b>45,885,656</b>	<b>300,000</b>	<b>80,907,467</b>	<b>9,561,652</b>	<b>2,607,404</b>	<b>28,390,441</b>	<b>52,517,026</b>	<b>18,530,426</b>
	<b>Intangible Assets under Development</b>									
	Intangible Assets Under Development	5,725,858	118,822,555	888,325	123,660,088	-	-	-	123,660,088	5,725,858
	<b>Total</b>	<b>5,725,858</b>	<b>118,822,555</b>	<b>888,325</b>	<b>123,660,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>123,660,088</b>	<b>5,725,858</b>

## Notes Forming Part of the Financial Statements

		Absolute figures in Rs	
		Ind AS	Ind AS
		As at 31st March 20	As at 31st March 19
<b>3</b>	<b>Loans - Non-Current Assets</b> <i>(Unsecured and Considered Good)</i>		
	Deposits with Related Parties	-	-
	Loans and Advances to related parties	-	-
	Other Loans and Advances	-	-
	<b>TOTAL</b>	<u>-</u>	<u>-</u>
<b>4</b>	<b>Other Non-current assets</b>		
	Capital Advances	-	-
	Advance Income Tax (Net of Provision)	-	-
	Others	6,628,230	6,362,500
	<b>TOTAL</b>	<u>6,628,230</u>	<u>6,362,500</u>
<b>5</b>	<b>Inventories</b>		
	Raw Materials	-	-
	Raw Materials in Transit	-	-
	Raw Materials (Including MIT)	-	-
	Stock-in-Process	-	-
	Finished Goods	-	-
	Stores and Spares and Paking Materials	-	-
	Stock -in-trade	690,430	661,996
	<b>TOTAL</b>	<u>690,430</u>	<u>661,996</u>
<b>7</b>	<b>Trade Receivables</b> <i>(Unsecured and Considered Good)</i>		
	Over six months	6,937,288	13,344,762
	Others	5,978,454	9,050,912
	<b>TOTAL</b>	<u>12,915,742</u>	<u>22,395,674</u>
<b>8</b>	<b>Cash and Bank Balanc</b>		
	Balance with Banks	4,290,568	1,303,430
	Cash on hand	51,883	33,579
	Fixed deposits with banks	61,943,278	2,000,000
	<b>TOTAL</b>	<u>66,285,729</u>	<u>3,337,009</u>

## Notes Forming Part of the Financial Statements

	Absolute figures in Rs	
	Ind AS	Ind AS
	As at 31st March 20	As at 31st March 19
<b>9 Loans - Current Assets</b> <i>(Unsecured and Considered Good)</i>		
Loans and Advances to Related Parties	-	-
Loan- Others	-	-
<b>TOTAL</b>	<u>-</u>	<u>-</u>
<b>10 Others Financial Asse</b>		
	As at 31st March 20	As at 31st March 19
Interest accrued on Investment	293,150	124,096
Deposits	-	-
Others	-	-
<b>TOTAL</b>	<u>293,150</u>	<u>124,096</u>
<b>11 Other Current Assets</b>		
	As at 31st March 20	As at 31st March 19
Balance with Customs, Central Excise Authorities	685,942	-
Others	9,409,720	6,989,021
<b>TOTAL</b>	<u>10,095,662</u>	<u>6,989,021</u>
<b>12 Equity Share capita</b>		
	As at 31st March 20	As at 31st March 19
Equity Shares of Rs. 10 each	40,000,000	40,000,000
Preference Shares of Rs. 10 each	40,000,000	40,000,000
	<u>80,000,000</u>	<u>80,000,000</u>
<b>Issued, Subscribed and Paid up:</b>		
Equity Shares of Rs.10 each fully paidup.	17,820,000	17,820,000
Less: Calls in arrears - by others	-	-
(Rs.-, (Previous Year Rs))	-	-
	<u>17,820,000</u>	<u>17,820,000</u>
<b>TOTAL</b>	<u>17,820,000</u>	<u>17,820,000</u>

## Notes Forming Part of the Financial Statements

	Absolute figures in Rs	
	Ind AS	Ind AS
	As at 31st March 20	As at 31st March 19
<b>13 Other Equity</b>		
<b>Instruments Classified as Equity</b>		
0.001% Compulsorily Convertible Preference Shares	13,200,000	
13,20,000 ( P Y- Nil) Shares of Rs. 10/- each		
<b>Share Application Money pending Allotment</b>	-	-
<b>Reserves and Surplus</b>		
<b>Revaluation Reserve</b>		
As per last Balance Sheet	-	-
Less: Transferred to Profit and Loss Statement	-	-
Less: Utilised on Demerger Adjustments	-	-
	-	-
<b>Capital Reserve</b>		
As per last Balance Sheet	-	-
<b>Capital Redemption Reserve</b>		
As per last Balance Sheet	-	-
Add: On Amalgamation	-	-
Add: Transferred from Profit & Loss Statement on Buy Back of Equity Shares	-	-
	-	-
<b>Securities Premium Account</b>		
As per last Balance Sheet	2,415,000	2,415,000
Add : Premium on issue of shares	186,793,200	-
Less: Premium on Redemption of Debentures/Bonds	-	-
Less : Premium on Buyback of Equity Shares	-	-
	202,408,200	2,415,000
Less: Calls in arrears - by others	-	-
	<b>202,408,200</b>	<b>2,415,000</b>
<b>Debentures Redemption Reserve</b>		
As per last Balance Sheet	-	-
Add: Transferred from Profit and Loss Statement	-	-
<b>Share Based Payments Reserve Account</b>		
As per last Balance Sheet	-	-
<b>General Reserve*</b>		
As per last Balance Sheet	-	-
Less : On Amalgamation	-	-
Add: Transferred from Profit and Loss Statement	-	-
Less : Transfer to Profit & Loss Statement	-	-

## Notes Forming Part of the Financial Statements

	Absolute figures in Rs			
	Ind AS		Ind AS	
	As at 31st March 20	As at 31st March 19	As at 31st March 20	As at 31st March 19
<b>Profit and Loss Account</b>				
As per last Balance Sheet	(12,000,343)	22,332,220		
Add: On Amalgamation	-	-		
Less: Impact of IND AS 116	-	-		
Add: Deferred Tax on Depreciation transferred to Profit & Loss A/c	-	-		
Add: Transfer from retained earning	-	-		
Add: Transfer from profit & loss Statement	(867,860)	(34,332,563)		
	<u>(12,868,204)</u>	<u>(12,000,343)</u>		
<b>Appropriation :</b>				
General Reserve	-	-		
Transferred to Debenture redemption reserve	-	-		
Proposed dividend on equity shares	-	-		
Tax on dividend	-	-		
	<u>(12,868,204)</u>	<u>(12,000,343)</u>		
Items of Other Comprehensive Income				
Debt instrument through P&L	-	-		
Debt instrument through OCI	-	-		
Income tax impact on Debt instrument thru OCI	-	-		
<b>TOTAL</b>	<u><u>189,539,996</u></u>	<u><u>(9,585,343)</u></u>		
<b>14 Borrowings - Non - Current Liabilities</b>	<b>Ind AS</b>		<b>Ind AS</b>	
	<b>As at 31st Mar'20</b>		<b>As at 31st Mar'19</b>	
<b>Secured</b>	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
Non Convertible Debentures	-	-	-	-
Long Term Maturities of Finance Lease Obligation	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Unsecured</b>				
Bonds	-	-	-	-
Term Loans- from banks	-	-	-	-
Loans from Directors	-	-	15,000,000	-
	<u>-</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>
<b>TOTAL</b>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>15,000,000</u></u>	<u><u>-</u></u>

## Notes Forming Part of the Financial Statements

		Absolute figures in Rs	
15 Other Non-Current Liabilities	Ind AS	Ind AS	
	As at 31st March 20	As at 31st March 19	
Advance from Related Parties	-	-	
Lease Liability (IND AS 116)	37,709,225	-	
Lease Equilisation Account	-	1,729,657	
Income Bill in Advance	3,262,957	2,265,748	
<b>TOTAL</b>	<b>40,972,182</b>	<b>3,995,405</b>	
16 Borrowings - Current Liability	Ind AS	Ind AS	
	As at 31st Mar'20	As at 31st Mar'19	
<b>Secured</b>			
<b>Working Capital Loans</b>			
<b>From Banks</b>			
Foreign Currency Loans	-	-	
Rupee Loans	-	507,122	
	-	507,122	
<b>From Others</b>			
Rupee Loans	-	-	
	-	-	
<b>Unsecured</b>			
<b>Other Loans and Advances</b>			
<b>From Banks</b>			
Foreign Currency Loans	-	-	
Rupee Loans including CP	-	-	
	-	-	
<b>TOTAL</b>	<b>-</b>	<b>507,122</b>	
17 Trade Payable	Ind AS	Ind AS	
	As at 31st March 20	As at 31st March 19	
Micro, Small and Medium Enterprises	-	-	
Others	8,100	15,294	
<b>TOTAL</b>	<b>8,100</b>	<b>15,294</b>	

## Notes Forming Part of the Financial Statements

	Absolute figures in Rs	
	Ind AS	Ind AS
<b>18 Other Financial Liabilities</b>	<b>As at 31st March 20</b>	<b>As at 31st March 19</b>
Current maturities of long term debt	-	-
Interest accrued but not due on borrowings	-	-
Unclaimed Dividend	-	-
Creditors for Capital Expenditure	-	-
Other Payable	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>19 Other Current Liabilities</b>	<b>As at 31st March 20</b>	<b>As at 31st March 19</b>
Other Payables	14,321,308	19,800,788
<b>TOTAL</b>	<b>14,321,308</b>	<b>19,800,788</b>
<b>20 Short Term Provisions</b>	<b>As at 31st March 20</b>	<b>As at 31st March 19</b>
Provisions for Superannuation / Gratuity / Leave Encashment	13,443,645	15,784,856
Provision for Wealth tax	-	-
Other Provisions	700,000	3,633,630
<b>TOTAL</b>	<b>14,143,645</b>	<b>19,418,486</b>
<b>21 Revenue from Operations</b>	<b>2019-20</b>	<b>2018-19</b>
Sale of products	67,944,887	61,948,595
Sale of services	78,726,268	86,406,889
<b>TOTAL</b>	<b>146,671,155</b>	<b>148,355,484</b>
GST recovered	22,590,335	22,860,756
	<b>124,080,820</b>	<b>125,494,728</b>

## Notes Forming Part of the Financial Statements

	Absolute figures in Rs	
	Ind AS 2019-20	Ind AS 2018-19
<b>22 Other Income</b>		
Interest		
From Current Investments	-	-
From Long Term Investments	-	-
From Others	2,103,415	199,146
	<u>2,103,415</u>	<u>199,146</u>
Dividend		
From Current Investments	-	-
From Long Term Investments	-	-
	<u>-</u>	<u>-</u>
Net gain / loss on sale of Investment		
From Current Investments	-	-
From Long Term Investments	-	-
	<u>-</u>	<u>-</u>
Other non operating income	18,898	5,186
<b>TOTAL</b>	<u><b>2,122,313</b></u>	<u><b>204,332</b></u>
<b>23 Changes in inventories of finished goods , Stock-in-Process and stock in trade</b>		
	<b>2019-20</b>	<b>2018-19</b>
<b>Stock in Trade (at close)</b>		
Finished Goods / Traded Goods	690,430	661,996
Stock-in-Process	-	-
	<u>690,430</u>	<u>661,996</u>
<b>Stock in Trade (at commencement)</b>		
Finished Goods / Traded Goods	661,996	751,001
Stock-in-Process	-	-
	<u>661,996</u>	<u>751,001</u>
Add : Capitalised during the Year	-	-
<b>TOTAL</b>	<u><b>(28,434)</b></u>	<u><b>89,005</b></u>
<b>24 Employee Benefits Expens</b>		
	<b>2019-20</b>	<b>2018-19</b>
Salaries and wages	79,599,370	80,602,730
Contribution to provident and other funds	6,280,086	8,404,505
Staff welfare expenses	2,063,789	2,152,505
<b>TOTAL</b>	<u><b>87,943,245</b></u>	<u><b>91,159,740</b></u>

## Notes Forming Part of the Financial Statements

		Absolute figures in Rs	
25 Finance Costs		Ind AS 2019-20	Ind AS 2018-19
Interest costs		71,724	584,511
Other borrowing costs		279,452	593,233
Applicable net gain/loss on foreign currency transactions and translation		-	25,098
Interest on Lease Liability		2,422,945	-
<b>TOTAL</b>		<b>2,774,121</b>	<b>1,202,842</b>
26 Depreciation and Amortisation Expense		2019-20	2018-19
Depreciation and amortisations		9,561,652	6,429,091
<b>TOTAL</b>		<b>9,561,652</b>	<b>6,429,091</b>
27 Other Expenses		2019-20	2018-19
<b>Manufacturing expenses</b>			
Store, chemicals and packing materials		-	-
Electric power fuel and water		1,964,102	2,750,894
Labour processing, production royalty and machinery hire charges		-	-
Repairs to building		14,308	941,712
Repairs to machinery		740,981	2,057,086
Exchange difference		9,794	-
Lease Rent		-	-
		<b>2,729,185</b>	<b>5,749,692</b>
<b>Selling and distribution expenses</b>			
Warehousing and distribution expenses		-	-
Sales tax /VAT/Service tax		-	-
Other selling and distribution expenses		25,000	21,390
		<b>25,000</b>	<b>21,390</b>
<b>Establishment expenses</b>			
Professional fees		3,592,635	2,261,559
General expenses		6,102,866	37,402,271
Rent		1,956,650	10,181,637
Insurance		-	-
Rates & taxes		442,259	712,463
Other Repairs		1,798,260	290,991

## Notes Forming Part of the Financial Statements

	Absolute figures in Rs	
	Ind AS 2019-20	Ind AS 2018-19
Travelling Expenses	10,015,219	6,209,262
Payment to Auditors	750,000	790,500
Loss on Sale of Discarded Assets	-	-
Charity and Donations	51,301	2,300
	<b>24,709,190</b>	<b>57,850,983</b>
<b>Transfer to project development Expenses (Net)</b>	-	-
<b>TOTAL</b>	<b>27,463,375</b>	<b>63,622,065</b>

As Per Our Report Of Even Date  
for **Sundararajan & Harish**  
Chartered Accountants  
Firm Registration No. : 004218 S

**S Harish Babu**  
Partner  
Membership No. 023977

Place : Bangalore  
Date : 04/04/2020  
UDIN: 20023977AAAAAQ9799

**For and on behalf of the Board**

**(Sripal Bachawat)**  
Director  
DIN: 00225582

**(Sajith Thattalath)**  
Director  
DIN: 00225716