

*FINANCIALS OF SUBSIDIARY  
COMPANIES*

TECHNOSOFT ENGINEERING  
PROJECTS LIMITED,  
INDIA

# INDEPENDENT AUDITOR'S REPORT

To the Members of Technosoft Engineering Projects Limited

## Report on the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone IND AS financial statements of **TECHNOSOFT ENGINEERING PROJECTS LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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 standalone Ind AS 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 31<sup>st</sup> March, 2020, its Profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SA's), 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 standalone Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>1. Impact of COVID-19 pandemic on the future financial performance and position of the Company</b> (as described in Note 33(1) of the Ind AS Balance Sheet)</p> <p>The extent to which the COVID-19 pandemic will impact the Company's financial performance and position will depend on future developments, which are highly uncertain.</p>	<p>Our audit procedures considered the guidance laid down by the 'ICAI Accounting &amp; Auditing Advisory March 2020 – Impact of Corona virus on Financial Reporting and the Auditors Consideration' highlighting few important areas which require particular attention in respect of the audit of the financial statements for the year 2019-20 including:</p> <ul style="list-style-type: none"> <li>a) Impairment of Non-financial Assets</li> <li>b) Impairment Losses (ECL, Bad-debts etc.)</li> <li>c) Revenue</li> <li>d) Borrowing Costs</li> <li>e) Provisions, Contingent Liabilities and Contingent Assets</li> <li>f) Modifications or termination of Contracts or Arrangements</li> <li>g) Going Concern Assessment</li> <li>h) Post Balance Sheet Events</li> <li>i) Presentation of Financial Statements</li> <li>j) Changes in Internal Controls</li> <li>k) External Confirmations</li> <li>l) Audit evidences through electronic mode</li> </ul> <p>We considered the above guidance and appropriately applied to our response to modification of our audit procedures to obtain sufficient appropriate audit evidence on the significant audit areas and reached appropriate conclusions thereon.</p>
<p><b>Assessment of impairment of investment in subsidiaries,</b> (Refer Note 6(a) of the Standalone Ind AS Balance Sheets)</p>	
<p>As at 31<sup>st</sup> March, 2020 the Company balance sheet includes investment in subsidiaries of ` 1,186.18 Lakhs, In accordance with Indian Accounting Standards (Ind-AS), the management has allocated these balances to their respective cash generating units (CGU) and tested these for impairment using a discounted cash flow model. The management compares the carrying value of these assets with their respective recoverable amount. A deficit</p>	<p>As a part of our audit we have, carried out the following procedures:</p> <ul style="list-style-type: none"> <li>a) We assessed the Company's methodology applied in determining the CGUs to which these assets are allocated.</li> <li>b) We assessed the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates used;</li> </ul>

<p>between the recoverable amount and CGU's net assets would result in impairment. The inputs to the impairment testing model which have most significant impact on the model includes:</p> <ul style="list-style-type: none"> <li>a) Sales growth rate;</li> <li>b) Operating margin;</li> <li>c) Working capital requirements;</li> <li>d) Capital expenditure; and</li> <li>e) Discount rate applied to the projected cash flows.</li> </ul> <p>The impairment test model includes sensitivity testing of key assumptions.</p> <p>The annual impairment testing is considered a significant accounting judgment and estimate and a key audit matter because the assumptions on which the tests are based are highly judgmental and are affected by future market and economic conditions which are inherently uncertain, and because of the materiality of the balances to the financial statements as a whole.</p>	<ul style="list-style-type: none"> <li>c) We also assessed the recoverable value by performing sensitivity testing of key assumptions used.</li> <li>d) We tested the arithmetical accuracy of the models</li> <li>e) Performed analysis of the disclosures related to the impairment tests and their compliance with Indian Accounting Standard (Ind-AS).</li> </ul>
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### **Other Information**

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

Our opinion on the 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 standalone Ind AS 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.

### **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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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 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 purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- (c) The Balance Sheet, Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 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**.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the current year. Hence we have nothing to report in this regard.; and
- (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 in our opinion and to the best of our information and according to the explanations given to us:

- a. The company has disclosed the impact of pending litigations on its financial position in its financial statement – Refer Note no. 24 to the financial statement.
- b. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- c. There is no amount to be transferred to the Investor Education Undertaking Protection Fund by the Undertaking.

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July , 2020**

**sd/-  
(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN– 20104982AAAABM1039**



## **ANNEXURE "A" TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNOSOFT ENGINEERING PROJECTS LIMITED on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020, We report that:**

- 1a According to information and explanations given to us, The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- 1b As explained to us, the fixed assets of the company have been physically verified by the Management in a phased manner as per regular program of verification, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to this program, some of the fixed assets have been physically verified by the management during the year, and no material discrepancies have been noticed on such verification.
- 1c The title deeds of the property as disclosed in Property, Plant and Equipment and Investment Property vide Note No. 3 & 4 respectively to the financial statements are held in the name of the company.
2. The Company is a Service Company, primarily rendering Information Technology Services. Accordingly, it does not hold any Physical Inventories. Thus, provision of paragraph 3 (ii) of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause 3 (iii), (iii) (a), (iii) (b) & (iii) (c) of the order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Act.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. The Central Government of India has not prescribed the Maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the Services rendered by the Company and accordingly Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.
- 7 a. According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing provident fund dues, employees state insurance, income tax, goods and service tax , sales tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31<sup>st</sup> March, 2020 for a period exceeding six months from the date they became payable;

- 7 b. According to the information and explanation given to us and the records of the Company examined by us, the Particulars of disputed statutory dues under various act as at 31st March, 2020 which have not been deposited with the appropriate authorities are as under: -

<b>Name of the Statute</b>	<b>Nature of dues</b>	<b>Amount ( in ₹)</b>	<b>Forum where dispute is pending</b>
Income Tax, 1961	Income Tax Demand for AY 2012-13	1,63,668	CIT Appeal, Mumbai
The CPC Act, 1908	Legal Matters	4,00,000	In the court of Junior Civil Judge

8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current year and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.
10. According to the information and explanations given to us by the management, which has been relied upon by us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The Company did not have any managing/whole time director or manager during the financial year. Accordingly, the provision of clause No. 3 (XI) of the order is not applicable to the Company.
12. 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.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Ind AS "24", Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors. Accordingly, the provisions of clause 3 (xv) of the order is not applicable to the Company.

16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the order is not applicable to the Company.

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July 2020**

**sd/-  
(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN- 20104982AAAABM1039**

## **ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNOSOFT ENGINEERING PROJECTS LIMITED for the year ended 31<sup>st</sup> March, 2020. We report that:**

### **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 **TECHNOSOFT ENGINEERING PROJECTS LIMITED**, (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone IND AS 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 controls system over financial reporting.

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

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

## **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, 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 M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July ,2020**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN- 20104982AAAABM1039**

**TECHNOSOFT ENGINEERING PROJECTS LTD.**

(CIN No. U72200MH2000PLC124541)

**BALANCE SHEET AS AT 31ST MARCH , 2020**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March ,2019</b>
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	63,996,574	68,381,089
Investment Properties	4	41,940,540	44,077,206
Intangible assets	5	6,219,352	11,230,641
<b>Financial Assets</b>			
Non Current Investments	6(a)	287,716,874	250,377,156
Others Financial Assets	6(b)	4,663,114	23,037,477
Deferred tax Asset (net)	7	22,602,307	23,849,862
Other Non - Current Assets	8	599,220	1,130,450
<b>Total Non - Current Assets</b>		<b>427,737,981</b>	<b>422,083,881</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
Current Investments	6(a)	73,810,713	67,607,554
Trade receivables	6(c)	100,426,353	85,935,324
Cash and cash equivalents	6(d)	17,716,719	2,088,258
Other Bank Balances	6(e)	20,100,000	-
Loans	6(f)	1,030,403	1,208,772
Others Financial Assets	6(b)	6,182,801	6,118,286
Current Tax Assets (Net)	9	1,463,389	-
Other Current Assets	10	8,535,894	12,992,658
<b>Total Current Assets</b>		<b>229,266,272</b>	<b>175,950,852</b>
<b>Total Assets</b>		<b>657,004,253</b>	<b>598,034,733</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11(a)	5,950,110	5,950,110
Other Equity	11(b)	507,993,342	466,190,345
<b>Total Equity</b>		<b>513,943,452</b>	<b>472,140,455</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD.**

(CIN No. U72200MH2000PLC124541)

**BALANCE SHEET AS AT 31ST MARCH , 2020**

<b>Particulars</b>	<b>Note No.</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March ,2019</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Financial Liabilities			
Other financial liabilities	12(c)	15,532,867	18,313,945
Provisions	13	16,001,435	13,856,551
<b>Total Non - Current Liabilities</b>		<b>31,534,302</b>	<b>32,170,496</b>
<b>Current liabilities</b>			
Financial Liabilities			
Current Borrowings	12(a)	5,513,129	29,325,016
Trade payables	12(b)		
Total outstanding dues of Micro & Small Enterprises		-	-
Total Outstanding dues of creditors , other than Micro & Small Enterprise		3,668,551	5,359,871
Other financial liabilities	12(c)	99,498,061	45,388,750
Provisions	13	338,841	509,164
Current Tax Liabilities (Net)	14	-	9,729,350
Other current liabilities	15	2,507,917	3,411,631
<b>Total Current Liabilities</b>		<b>111,526,499</b>	<b>93,723,782</b>
<b>Total Equity and Liabilities</b>		<b>657,004,253</b>	<b>598,034,733</b>

Significant Accounting Policies 1 &amp; 2

*The accompanying notes form an integral part of the financial statements*

As per our Report of Even Date

**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS**For & on Behalf of Board of Directors**sd/-  
**V.L. BAJAJ**  
PARTNER  
M.NO 104982sd/-  
**S.K. SARAF**  
DIRECTOR  
DIN 00035843sd/-  
**NAVNEET SARAF**  
DIRECTOR  
DIN 00035686PLACE: MUMBAI  
DATE : 23rd July 2020

**TECHNOSOFT ENGINEERING PROJECTS LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020**

Particulars	Note No.	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Income</b>			
Revenue From Operations	16	316,506,327	367,548,521
Other Income and Other Gains/(Losses)	17	60,939,334	52,604,101
<b>Total Income</b>		<b>377,445,661</b>	<b>420,152,622</b>
<b>Expenditures</b>			
Employee benefits expense	18	231,705,749	235,906,674
Finance costs	19	2,811,085	3,096,978
Depreciation and amortisation expenses	20	25,609,972	30,105,929
Other expenses	21	61,737,602	42,600,788
<b>Total expenses</b>		<b>321,864,408</b>	<b>311,710,369</b>
<b>Profit/(loss) before tax</b>		<b>55,581,253</b>	<b>108,442,253</b>
Tax expense:	22		
(1) Current tax		12,015,000	28,306,200
(2) Deferred tax		1,137,144	376,094
(3) Tax in respect of Earlier Years		360,849	-
<b>Total tax expenses</b>		<b>13,512,993</b>	<b>28,682,294</b>
<b>Profit/(loss) for the year (A)</b>		<b>42,068,260</b>	<b>79,759,959</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit liability/asset(net of tax)		328,283	575,575
<b>Other Comprehensive Income/(Expenses) for the Year(net of tax) (B)</b>		<b>328,283</b>	<b>575,575</b>
<b>Total Comprehensive Income for the year (A+B)</b>		<b>42,396,543</b>	<b>80,335,534</b>
<b>Earnings per equity share:</b>	23		
<b>Equity shares of Par value of ` 10 each</b>			
Basic		70.70	134.05
Diluted		70.70	134.05

Significant Accounting Policies 1 & 2

*The accompanying notes form an integral part of the financial statements*

As per our Report of Even Date

**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**V.L. BAJAJ**  
PARTNER  
M.NO 104982

sd/-  
**S.K. SARAF**  
DIRECTOR  
DIN 00035843

sd/-  
**NAVNEET SARAF**  
DIRECTOR  
DIN 00035686

PLACE: MUMBAI  
DATE : 23rd July 2020



**TECHNOSOFT ENGINEERING PROJECTS LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

	Year ended 31st March 2020	Year ended 31st March 2019
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax	55,581,253	108,442,253
<b>Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
Depreciation and impairment of property, plant and equipment	17,227,802	18,503,821
Amortisation and impairment of intangible assets	6,245,504	9,356,470
Depreciation on investment properties	2,136,666	2,245,638
Unrealised Forex Loss/ (gain)	(5,330,505)	1,438,520
Interest Income	(1,782,358)	(1,744,898)
Interest Expenses	2,454,402	2,841,646
Rental Income	(38,879,182)	(35,576,325)
Net gain on sale/fair valuation of Investments through profit & loss	(2,433,477)	(12,023,977)
Insurance Claim Received / Compensation	-	(1,856,827)
Operating Profit before Working capital Changes	<b>35,220,105</b>	<b>91,626,321</b>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade receivables	(9,160,524)	17,620,631
(Increase)/ Decrease in other receivables	4,360,837	(2,049,362)
Increase/ (Decrease) in trade and other payables	46,665,881	8,393,741
	<b>77,086,299</b>	<b>115,591,331</b>
Income Tax paid	(23,568,590)	(19,984,581)
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>53,517,709</b>	<b>95,606,750</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>		
Payment for purchase and construction of property, plant and equipment	(5,404,305)	(16,070,374)
Purchase of Investments	(47,500,000)	(120,000,000)
Proceeds from sale of property, plant & equipment	-	55,086
Adjustment of Insurance claims against Property, Plant & Equipment	-	2,807,400
Proceeds from sale of Investments	6,390,600	13,548,012
Refund/ (Investment) in bank deposits for more than 3 months	-	9,900,000
Interest received	1,537,756	1,673,997
Rent Received	37,543,434	35,311,445
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	<b>(7,432,515)</b>	<b>(72,774,434)</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020**

**C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :**

Net Proceeds from loans and borrowings	(23,811,887)	(19,720,568)
Interest Charges Paid	(1,635,386)	(1,737,755)
Repayment of Lease Liabilities	(5,009,460)	-
<b>Net Cash Inflow/(Outflow) in the course of Financing Activities (C)</b>	<b>(30,456,733)</b>	<b>(21,458,323)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>15,628,461</b>	<b>1,373,993</b>
Cash and cash equivalents at the beginning of the year	2,088,258	714,265
<b>Cash and cash equivalents at the end of the year</b>	<b>17,716,719</b>	<b>2,088,258</b>

**Notes-**

1 The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

2 Components of Cash & Cash Equivalents

	<b>Year ended 31st March 2020</b>	<b>Year ended 31st March 2019</b>
Balances with Banks - In current accounts	17,616,098	1,567,417
Cash on Hand	100,621	520,841
<b>Cash and cash equivalents at the end of the year</b>	<b>17,716,719</b>	<b>2,088,258</b>

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**V.L. BAJAJ**

PARTNER

M.NO 104982

sd/-

**S.K. SARAF**

DIRECTOR

DIN 00035843

sd/-

**NAVNEET SARAF**

DIRECTOR

DIN 00035686

PLACE: MUMBAI

DATE : 23rd July 2020

**TECHNOFT ENGINEERING PROJECTS LTD**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2020**

<b>EQUITY SHARE CAPITAL :</b>	<b>Balance as at 1st April , 2018</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March , 2019</b>	<b>Balance as at 1st April , 2019</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March , 2020</b>
Paid up Capital ( Equity Shares of ` 10/- each issued ,Subscribed & Fully Paid up)	5,950,110	-	5,950,110	5,950,110	-	5,950,110

**OTHER EQUITY :**

<b>Particulars</b>	<b>Securities Premium</b>	<b>Capital Redemption Reserve</b>	<b>General Reserve</b>	<b>Retained Earnings</b>	<b>Other Comprehensive Income (Retained Earnings)</b>	<b>Total</b>
<b>Balance as at 1st April, 2018</b>	45,911,885	250,000	147,500,000	191,831,170	361,454	385,854,509
Profit for the year after tax	-	-	-	79,760,261	-	<b>79,760,261</b>
Other Comprehensive Income :						
Remeasurements of net defined benefit plans (Net of tax)	-	-	-	-	575,575	<b>575,575</b>
<b>Balance as at 31st March ,2019</b>	<b>45,911,885</b>	<b>250,000</b>	<b>147,500,000</b>	<b>271,591,431</b>	<b>937,029</b>	<b>466,190,345</b>
<b>Balance as at 1st April, 2019</b>	45,911,885	250,000	147,500,000	271,591,431	937,029	<b>466,190,345</b>
Profit for the year after tax	-	-	-	42,068,260	-	42,068,260
Other Comprehensive Income :						
Remeasurements of net defined benefit plans (Net of tax)	-	-	-	-	328,283	328,283
Transition Adjustment of Ind AS - 116	-	-	-	(593,546)	-	(593,546)
<b>Balance as at 31st March , 2020</b>	<b>45,911,885</b>	<b>250,000</b>	<b>147,500,000</b>	<b>313,066,145</b>	<b>1,265,312</b>	<b>507,993,342</b>

*The accompanying notes form an integral part of the financial statements*

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**V.L. BAJAJ**

PARTNER

M.NO 104982

PLACE: MUMBAI

DATE : 23rd July 2020

sd/-

**S.K. SARAF**

DIRECTOR

DIN 00035843

sd/-

**NAVNEET SARAF**

DIRECTOR

DIN 00035686

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

#### Note-1 Company Overview

Technosoft Engineering Projects Limited (“the Company”), was incorporated on 28<sup>th</sup> February 2000, CIN U72200MH2000PLC124541. The company is a Public Limited company incorporated and domiciled in India and is having its registered office at Plot No. 47 “Opus Centre”, 2<sup>nd</sup> floor, Central Road, Opposite Tunga Paradise Hotel, MIDC, Andheri (East) Mumbai – 400093, Maharashtra India.

The company is a global provider of Engineering Design, embedded & IoT services to various Engineering & Manufacturing verticals and of EPCM services in the oil and gas industry.

**Authorisation of Financial Statements:** The Financial Statements were authorized for issue in accordance with a resolution of the directors on 23<sup>rd</sup> July 2020.

#### Note-2 Significant accounting policies:

##### i) Basis of Preparation and Presentation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### ii) Use of Estimates and Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

##### iii) Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

#### iv) Revenue Recognition

Revenue from Rendering of Services is recognized as & when the customer receives the benefits of the company performance and the company has an enforceable right to payment for services performed.

In respect of Short term advances from its customers, using the practical expedient in Ind AS-115, the company does not adjust the Promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer services to the customer and when the customer pays for that services will be within the normal operating cycle ie one year.

Revenue is net of Goods & Service Tax Collected on behalf of the Government.

The Company recognizes Revenue from Sales of Services net of Quality Claims & Rebates .

#### Contract Balances

##### Contract Asset

A contract asset is the right to consideration in exchange for services transferred to the customer. If the company performed by transferring services to a customer before the customer pays consideration or before the payment is due, a contract asset is recognized for the earned consideration that is conditional.

##### Trade Receivables

A receivable represents the company to an amount of consideration that is unconditional (i.e. only the passage of time is required before the payment of the consideration is due).

##### Contract Liabilities

A Contract Liabilities is the obligation to transfer services to a customer for which the company has received consideration (or amount of consideration is due) from the customer. If a customer pays consideration before the company transfers services to the customer, a Contract Liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract Liabilities are recognized as revenue when the company performs under the Contract including Advances received from customer.

##### Refund Liabilities

A refund Liability is the obligation to refund some or all of the consideration received (or received) from the customer and is measured at the amount the company ultimately expects it will have to return to the customer. The company updates its estimates of refund Liabilities ( and the corresponding change in the transaction price) at the end of each reporting period.

##### Other Income

Interest income on all debts instruments measured at amortized cost is recorded using the effective interest rate (EIR).

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of the income can be measured reliably.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

#### **v) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any.

#### **vi) Capital Work in Progress**

Cost of assets not ready for use at the balance sheet date is disclosed under capital work-in-progress. Expenditure during construction period is included under Capital Work in Progress & the same is allocated to the respective Property, Plant and Equipment on the completion of its construction.

#### **vii) Intangible Assets**

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

#### **viii) Depreciation**

Depreciation on Property, Plant and Equipment has been provided on the Written down Value method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Leasehold Land is amortized over the period of lease.

Intangible assets are amortized on a straight line basis over the estimated useful economic life.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or disposition of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

#### **ix) Investment Property**

Investment property applies to owner-occupied property and is held to earn rentals or for capital appreciation or both. Hence such properties are reclassified from Property, Plant and Equipment to Investment property. Investment property is measured at its cost, including related transaction cost less depreciation and impairment, if any. Investment properties are depreciated using the written down value method over their estimated useful life. Any transfer to or from Investment property is done at the carrying amount of the Investment Property.

#### **xiii) Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

#### a) Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### b) Deferred Income Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

#### xiv) Leases

At inception of Contract, the Company assesses whether the Contract is or contains a Lease. A Contract is, or contains, a lease if the Contract conveys the right to Control the use of an identified asset for a period of time in exchange for Consideration .At inception or on reassessment of a contract that contains a lease Component, the Company allocates Consideration in the contract to each lease component on the basis of their relative standalone price.

##### As a Lessee

##### i) Right of use assets

The Company recognizes right of use assets at the commencement date of the lease .Right of use assets are measured at cost less any accumulated depreciation and impairment Losses and adjusted for any re measurement of Lease Liabilities .The Cost of right to use assets include the amount of lease Liabilities recognized, initial direct cost incurred, Lease payments made at or before commencement date less any lease incentives received. Right of use assets are depreciated on a straight Line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company presents right to use assets that do not meet the definition of Investment property in "Property, Plant and Equipment"

##### ii) Lease Liabilities

At the Commencement date of the Lease , the Company recognizes Lease Liabilities measured at the present value of lease payments to be made over the Lease term .In Calculating the present Value

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

of lease payments , the Company generally uses its incremental borrowing rate at the Lease Commencement date if the discount rate implicit in the lease is not readily determinable .

Lease payments included in the measurement of the Lease Liability are made up of fixed payments (including in substance, fixed) and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses .It is re measured to reflect any reassessment or modification.

The Company presents lease Liabilities under Financial Liabilities in the Balance sheet.

The Company has elected to account for short term leases and Leases of Low Value assets using the exemption given under Ind AS 116, Leases .Instead of recognizing a right of use asset and Lease Liability, the payments in relation to these are recognized as an expense in the profit or loss on a straight Line basis over the Lease term or on another systematic basis if that basis is more representative of the pattern of the Company benefit

#### **As a Lessor**

Leases for which the Company is a Lessor is classified as Finance or operating Lease

Lease income from operating leases where the Company is a Lessor is recognized in income on a straight line basis over the Lease Term unless the receipts are structured to increase in line with expected general inflation to Compensate for the expected inflationary cost increases .The respective leased assets are included in the balance sheet based on their nature

#### **xv) Financial Assets**

##### **a) Initial recognition and measurement**

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

##### **b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### **(i) Debt instruments at amortised cost**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.



**TECHNOSOFT ENGINEERING PROJECTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

**(ii) Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive Income.

**(iii) Debt instruments at Fair value through profit or loss (FVTPL)**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

**(iv) Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**c) De recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**d) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the Business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been as significant increase in credit risk.

**e) Income Recognition**

Interest Income from debt instruments is recognised using the effective interest rate method.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

#### xvi) Financial Liabilities

##### a) Initial recognition and measurement

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

##### b) Subsequent measurement

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of financial liabilities depends on their classification, as described below:

##### ➤ Financial Liabilities at fair value through profit or loss (FVTPL)

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

##### ➤ Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

##### c) De recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

#### xvii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### xviii) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

##### **Fair value hierarchy:**

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

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **xix) Cash & Cash Equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks with an original maturity of three months or less.

#### **xx) Investment in Subsidiaries– Unquoted**

Investments in equity shares of Subsidiaries are recorded at cost and reviewed for impairment at each reporting date.

#### **xxi) Employee Benefits**

##### ➤ **Short-term employee benefit**

Short term employee benefits are recognized as an expense at an undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.

##### ➤ **Post-employment benefits**

The Company's net obligation in respect of defined benefit plans such as gratuity is calculated separately for each plan by estimating the amount of future benefit that the employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed at each reporting period end by a qualified actuary using the projected unit credit method.

The current service cost of the defined benefit plan, recognized in the Statement of Profit & Loss as part of employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognized immediately in the Statement of Profit & Loss. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit & Loss.

Re-measurements which comprise of actuarial gains and losses, the return on plan assets (excluding net interest) and the effect of the asset ceiling (if any, excluding net interest), are recognized immediately in other comprehensive income.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

#### ➤ **Other long-term employee benefits**

Liability towards other long term employee benefits - leave encashment is determined on actuarial valuation by qualified actuary by using Projected Unit Credit method.

The current service cost of other long terms employee benefits, recognized in the Statement of Profit & Loss as part of employee benefit expense, reflects the increase in the obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past

service costs are recognized immediately in the Statement of Profit & Loss. The interest cost is calculated by applying the discount rate to the balance of the obligation. This cost is included in employee benefit expense in the Statement of Profit & Loss. Re-measurements are recognized in the Statement of Profit & Loss.

#### **xxii) Foreign Currency Transactions:**

##### **a) Functional and Presentation Currency:**

The Financial Statements are presented in Indian Rupee (₹) which is Company's Functional and Presentation Currency.

##### **b) Monetary Items**

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.
- Monetary assets (including loans to subsidiaries) and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year-end rates and the corresponding effect is given to the respective account.
- Exchange differences arising on account of fluctuations in the rate of exchange are recognized in the statement of Profit & Loss.
- Exchange rate difference arising on account of conversion/translation of liabilities incurred for acquisition of Fixed Assets is recognized in the Statement of Profit & Loss.

##### **c) Non - Monetary Items**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

#### **xxiii) Impairment of Non-Financial 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 assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

**TECHNOSOFT ENGINEERING PROJECTS LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

**xxiv) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**xxv) 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.

**xxvi) Earnings per Share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares

**xxvii) Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

**xxviii) Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**xxix) Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to Chief Operating Decision Maker (CODM).

**xxx) Significant accounting judgements, estimates and assumptions:**

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise Judgement in applying the Company's accounting policies.

The estimates and judgements involves a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed .Detailed information about each of these estimates and judgements is included in relevant notes.

#### **Critical estimates and judgements**

The areas involving critical estimates or judgements are

- Estimation of current tax expenses and payable
- Estimated useful life of Intangible assets
- Estimation of defined benefit obligation
- Estimation of Provisions and Contingencies
- Estimation of Incremental Borrowing rate –Leases

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 3 : Property, Plant and Equipment**

Particulars	Leasehold Land	Freehold Land & Buildings	Furniture, Fittings & Equipments	Plant and Machinery	Office Equipments	Computers	Motor Car & Vehicles	Right to Use Asset (Leasehold Building)	Total	Capital Work in Progress
<b>Year Ended March 31, 2019</b>										
<b>Gross Carrying Amount</b>										
Opening Gross Carrying Amount	40,944	47,990,627	19,940,886	23,727,635	2,200,866	27,417,074	1,770,603	-	123,088,635	-
Additions	-	-	1,060,600	264,444	1,102,297	5,184,468	-	-	7,611,809	-
Disposals/Transfers	-	4,071,307	385,049	-	87,352	1,804,270	-	-	6,347,978	-
<b>Closing Gross Carrying Amount</b>	<b>40,944</b>	<b>43,919,320</b>	<b>20,616,437</b>	<b>23,992,079</b>	<b>3,215,811</b>	<b>30,797,272</b>	<b>1,770,603</b>	<b>-</b>	<b>124,352,466</b>	<b>-</b>
<b>Accumulated Depreciation</b>										
Opening Accumulated Depreciation	2,694	6,735,011	6,346,995	10,046,354	1,194,347	13,812,705	1,257,261	-	39,395,367	-
Depreciation charge during the year	898	1,833,311	3,563,506	2,652,726	1,571,092	8,708,469	173,819	-	18,503,821	-
Disposals/Transfers	-	656,800	106,630	-	14,543	1,149,838	-	-	1,927,811	-
<b>Closing Accumulated Depreciation</b>	<b>3,592</b>	<b>7,911,522</b>	<b>9,803,871</b>	<b>12,699,080</b>	<b>2,750,896</b>	<b>21,371,336</b>	<b>1,431,080</b>	<b>-</b>	<b>55,971,377</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>37,352</b>	<b>36,007,798</b>	<b>10,812,566</b>	<b>11,292,999</b>	<b>464,915</b>	<b>9,425,936</b>	<b>339,523</b>	<b>-</b>	<b>68,381,089</b>	<b>-</b>
<b>Year Ended March 31, 2020</b>										
<b>Gross Carrying Amount</b>										
Opening Gross Carrying Amount	40,944	43,919,320	20,616,437	23,992,079	3,215,811	30,797,272	1,770,603	-	124,352,466	-
Transition Impact on account of adoption of Ind AS 116 "Lease"	-	-	-	-	-	-	-	8,673,197	8,673,197	-
Additions	-	200,393	900,112	1,157,178	136,348	1,776,059	-	-	4,170,090	-
Transfers	-	-	-	(870,815)	870,815	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>40,944</b>	<b>44,119,713</b>	<b>21,516,549</b>	<b>26,020,072</b>	<b>2,481,344</b>	<b>32,573,331</b>	<b>1,770,603</b>	<b>8,673,197</b>	<b>137,195,753</b>	<b>-</b>
Opening Accumulated Depreciation	3,592	7,911,522	9,803,871	12,699,080	2,750,896	21,371,336	1,431,080	-	55,971,377	-
Depreciation charge during the year	898	1,812,132	2,827,216	2,883,333	307,066	5,116,137	115,192	4,165,828	17,227,802	-
Transfers	-	-	-	(1,088,121)	1,088,121	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>4,490</b>	<b>9,723,654</b>	<b>12,631,087</b>	<b>16,670,534</b>	<b>1,969,841</b>	<b>26,487,473</b>	<b>1,546,272</b>	<b>4,165,828</b>	<b>73,199,179</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>36,454</b>	<b>34,396,059</b>	<b>8,885,462</b>	<b>9,349,538</b>	<b>511,503</b>	<b>6,085,858</b>	<b>224,331</b>	<b>4,507,369</b>	<b>63,996,574</b>	<b>-</b>

**Note**

- i) All Property, Plant & Equipment except Right to Use Asset are held in the name of the company
- ii) Refer to Note No 25 for information on Property, Plant & Equipment Pledged as Security by the Company.

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 4 : Investment Properties**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	53,771,249	49,699,942
Transfer from Property, Plant & Equipment	-	4,071,307
<b>Closing Gross Carrying Amount</b>	<b>53,771,249</b>	<b>53,771,249</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	9,694,043	6,791,605
Depreciation Charge	2,136,666	2,245,638
Transfer from Property, Plant & Equipment	-	656,800
<b>Closing Accumulated Depreciation</b>	<b>11,830,709</b>	<b>9,694,043</b>
<b>Net Carrying Amount</b>	<b>41,940,540</b>	<b>44,077,206</b>

**i) Amount recognised in profit and loss for investment properties**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Rental Income	38,879,182	35,366,325
Direct Operating expenses from property that generated rental income	1,050,955	982,713
Direct Operating expenses from property that did not generate rental income	-	-
<b>Profit from Investment Properties before Depreciation</b>	<b>39,930,137</b>	<b>36,349,038</b>
Depreciation	2,136,666	2,245,638
<b>Profit from Investment Properties</b>	<b>37,793,471</b>	<b>34,103,400</b>

**ii) Fair Value**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investment Properties	516,487,160	516,487,160

**Estimation of Fair value :**

The above valuation of the Investment Properties are in accordance with the Ready Reckoner rates as prescribed by the Government of Maharashtra for the Purpose of levying Stamp Duty. Since the Valuation is based on the Published Ready Reckoner rates , the Company has Classified the same under Level 2

**iii ) Leasing arrangements**

The Company has entered in to various a non cancellable leasing agreements . There is an escalation clause in the lease agreement during the lease year in line with expected general inflation. There are no restrictions imposed by lease arrangements and there are no sub leases. There are no contingent rents. The total future minimum Lease payments under non-cancellable operating lease:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within one year	38,336,816	28,092,429
Later than one year but not later than 5 years	38,512,544	57,929,402
Later than 5 years	-	-



**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 5 : Intangible assets**

Particulars	Computer Software *	Total
<b>Year Ended 31 st March , 2019</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	31,732,610	31,732,610
Additions during the year	8,458,565	8,458,565
<b>Closing Gross Carrying Amount</b>	<b>40,191,175</b>	<b>40,191,175</b>
<b>Accumulated Amortisation and Impairment</b>		
Opening Accumulated Amortisation	19,604,064	19,604,064
Amortisation charge for the year	9,356,470	9,356,470
<b>Closing Accumulated Amortisation and Impairment</b>	<b>28,960,534</b>	<b>28,960,534</b>
<b>Closing Net Carrying Amount</b>	<b>11,230,641</b>	<b>11,230,641</b>
<b>Year Ended 31st March ,2020</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	40,191,175	40,191,175
Additions during the year	1,234,215	1,234,215
<b>Closing Gross Carrying Amount</b>	<b>41,425,390</b>	<b>41,425,390</b>
<b>Accumulated Amortisation and Impairment</b>		
Opening Accumulated Amortisation	28,960,534	28,960,534
Amortisation Charge for the year	6,245,504	6,245,504
<b>Closing Accumulated Amortisation and Impairment</b>	<b>35,206,038</b>	<b>35,206,038</b>
<b>Closing Net Carrying Amount</b>	<b>6,219,352</b>	<b>6,219,352</b>

\* Computer Software includes expenditure on computer software which is not an integral part of hardware.

**Note - 6 : Financial Assets**

**Note 6(a) : Non Current Investments**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Investment In Equity Instruments (Fully Paid up, Unless other wise stated)</b>		
<b>Investment In Equity Instrument of Subsidiaries (At Cost)</b>		
<b>Unquoted</b>		
1996.80 Shares of Technosoft Engineering Solution Inc (USA) (P.Y. 1996.80 Shares )	113,597,021	113,597,021
54,000 units of Technosoft GMBH (P.Y. 54,000 Units )	5,020,500	5,020,500
1 Share of Technosoft Engineering UK ( ` 85) (P.Y. 1 Share )	85	85
<b>Total (Equity Instrument)</b>	<b>118,617,606</b>	<b>118,617,606</b>
<b>Investment In Mutual Funds (at Fair Value through Profit &amp; Loss)</b>		
<b>Quoted</b>		
NIL units of `10 each of HDFC EOF-II-1100D June 2017 (P.Y.10,00,000 units)	-	10,437,000
NIL units of `10 each of HDFC FMP 1170D February 2017 (P.Y.10,00,000 units)	-	11,746,000
20,00,000 units of `10 each of HDFC FMP 1105D AUGUST 2018 (2) (P.Y.20,00,000 units)	23,267,800	21,273,800
20,00,000 units of `10 each of HDFC FMP 1126D MARCH 2019 (1) (P.Y.20,00,000 units)	22,211,800	20,198,400
10,00,000 units of `10 each of HDFC FMP 1133D JULY 2018 (1) (P.Y.10,00,000 units)	11,516,600	10,664,100
15,00,000 units of `10 each of HDFC FMP 1141D AUGUST 2018 (1) (P.Y.15,00,000 units)	16,948,800	15,713,850
20,00,000 units of `10 each of HDFC FMP 1182D JANUARY 2019 (1) (P.Y.20,00,000 units)	22,572,800	20,544,600
20,00,000 units of `10 each of HDFC FMP 1260D OCTOBER 2018(1) (P.Y.20,00,000 units)	23,293,800	21,181,800
21,50,994.272 units of `10 each of HDFC CORPORATE BOND FUND (P.Y. NIL units)	49,287,668	-
<b>Total (Mutual Funds)</b>	<b>169,099,268</b>	<b>131,759,550</b>
<b>Total Non - Current Investments</b>	<b>287,716,874</b>	<b>250,377,156</b>
Aggregate Amount of Quoted Investments	169,099,268	131,759,550
Aggregate Market value of Quoted Investments	169,099,268	131,759,550
Aggregate Amount of Unquoted Investments	118,617,606	118,617,606

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 6(a) : Current Investments**

Particulars	As at	
	31st March, 2020	31st March, 2019
<b>Investment In Mutual Funds (at Fair Value through Profit &amp; Loss)</b>		
<b>Quoted</b>		
10,69,930.36 units of `10 each of HDFC Equity Savings Fund (P.Y. 10,69,930.36 units)	36,205,401	40,290,695
3,74,408.435 units of `10 each of HDFC Corporate Debt Opportunities Fund (P.Y.3,74,408.435 units)	6,232,441	5,711,639
22,351.513 units of units of `10 each of HDFC Equity Fund (P.Y. 22,351.513 units)	10,231,071	15,226,120
NIL units of `10 each of HDFC FMP 1132D February 2016 (P.Y.5,00,000 units)	-	6,379,100
10,00,000 units of `10 each of HDFC EOF-II-1100D June 2017 (P.Y.NIL units)	8,325,000	-
10,00,000 units of `10 each of HDFC FMP 1170D February 2017 (P.Y.NIL units)	12,816,800	-
<b>Total (Mutual Funds)</b>	<b>73,810,713</b>	<b>67,607,554</b>
<b>Total Current Investments</b>	<b>73,810,713</b>	<b>67,607,554</b>
Aggregate Amount of Quoted Investments	73,810,713	67,607,554
Aggregate Market value of Quoted Investments	73,810,713	67,607,554

**Note 6(b) : Others Financial Assets**

Particulars	As at 31st March , 2020		As at 31st March , 2019	
	Current	Non - Current	Current	Non - Current
<b>Security Deposits with :</b>				
Government Department	-	2,742,477	-	2,742,477
Others	2,137,363	1,920,637	4,175,035	195,000
Other Receivables	3,664,744	-	1,636,018	-
Interest Receivables	380,694	-	307,233	-
Fixed Deposit with maturity more than 12 Months*	-	-	-	20,100,000
<b>Total Other Financial Assets</b>	<b>6,182,801.00</b>	<b>4,663,114.00</b>	<b>6,118,286.00</b>	<b>23,037,477.00</b>

\* Fixed Deposit are pledged against Bank Overdraft .Refer Note No 25 for details of Fixed Deposits Pledged as Security.

**Note 6(c) : Trade receivables**

Particulars	As at	
	31st March, 2020	31st March, 2019
Trade Receivables (other than related parties)	6,376,094	3,553,863
Receivables from related parties	94,050,259	82,381,461
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables -Credit Impaired	-	-
Less : Allowance for doubtful trade receivables	-	-
<b>Total Trade Receivables</b>	<b>100,426,353</b>	<b>85,935,324</b>
Current Portion	100,426,353	85,935,324
Non - Current Portion	-	-
<b>Break-up of security details</b>		
Secured ,Considered good	-	-
Unsecured , Considered good	100,426,353	85,935,324
Doubtful	-	-
<b>Total</b>	<b>100,426,353</b>	<b>85,935,324</b>
Allowance for doubtful Trade Receivables	-	-
<b>Total Trade Receivables</b>	<b>100,426,353</b>	<b>85,935,324</b>

**Note 6(d) : Cash and cash equivalents**

Particulars	As at	
	31st March, 2020	31st March, 2019
Balances with Banks		
- In current accounts	17,616,098	1,567,417
Cash on Hand	100,621	520,841
<b>Total Cash and Cash Equivalents</b>	<b>17,716,719</b>	<b>2,088,258</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 6(e) : Other Bank Balances**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Fixed Deposit Accounts Between 3 & 12 Months*	20,100,000	-
<b>Total Other Bank Balances</b>	<b>20,100,000</b>	<b>-</b>

\* Fixed Deposit are pledged against Bank Overdraft .Also Refer Note No 25 for details of Fixed Deposits Pledged as Security.

**Note 6(f) : Loans**

Particulars	As at 31st March , 2020		As at 31st March , 2019	
	Current	Non - Current	Current	Non - Current
<b>Unsecured,considered good</b>				
Loans To Employees	1,030,403	-	1,208,772	-
<b>Total Loans</b>	<b>1,030,403</b>	<b>-</b>	<b>1,208,772</b>	<b>-</b>

Breakup	As at 31st March, 2020		As at 31st March , 2019	
	Current	Non - Current	Current	Non - Current
Loan Considered good-Secured	-	-	-	-
Loan Considered good-Unsecured	-	1,030,403	-	1,208,772
Loans which have significant increase in credit risk	-	-	-	-
Loans -credit impaired	-	-	-	-
<b>Total</b>	<b>1,030,403</b>	<b>-</b>	<b>1,208,772</b>	<b>-</b>
Less Allowance for Doubtful Loans	-	-	-	-
<b>Total Loans</b>	<b>1,030,403</b>	<b>-</b>	<b>1,208,772</b>	<b>-</b>

**Note 7 : Deferred tax Asset (net)**

The balance comprises temporary differences attributable to :

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Property , Plant & Equipment , Intangible Assets & Investment Properties	1,470,475	1,023,714
Employee Benefits	3,780,269	3,774,780
Tax Losses	22,587,147	22,127,298
Investments	(4,397,441)	(2,580,122)
Others	(838,143)	(495,808)
<b>Net Deferred Tax Assets</b>	<b>22,602,307</b>	<b>23,849,862</b>

**Note 8 : Other Non - Current Assets**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Prepaid Expenses	599,220	1,130,450
<b>Total Other Non Current Asset</b>	<b>599,220</b>	<b>1,130,450</b>

**Note 9 : Current Tax Asset (Net)**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Advance Tax	119,503,283	-
Less :Provision For Taxation	118,039,894	-
<b>Net Current Tax Assets</b>	<b>1,463,389</b>	<b>-</b>

**Note 10 : Other Current Assets**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Prepaid Expenses	7,002,320	6,404,735
Balance With Statutory Authorities	1,324,377	3,749,738
Others	209,197	2,838,185
<b>Total Other Current Asset</b>	<b>8,535,894</b>	<b>12,992,658</b>

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note - 11 : Equity Share Capital & Other Equity**

**Note 11(a) : Equity Share Capital**

Particulars	As at 31st March, 2020	As at 31st March, 2019
<b>Authorised</b>		
6,00,000 (P.Y. 6,00,000) Equity Shares of ` 10/- Each	6,000,000	6,000,000
	<b>6,000,000</b>	<b>6,000,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
5,95,011(P.Y. 5,95,011) Equity Shares of ` 10/- Each Fully Paid Up	5,950,110	5,950,110
	<b>5,950,110</b>	<b>5,950,110</b>

Out of the above Equity Shares :-

A) 4,99,930 Equity Shares are held by Technocraft Industries (India) Limited, the Holding Company

**B) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ` 10 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**C) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year :**

Particulars	Equity Shares			
	As on March 31, 2020		As on March 31, 2019	
	Number		Number	
Shares outstanding at the beginning of the year	595,011	5,950,110	595,011	5,950,110
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	595,011	5,950,110	595,011	5,950,110

**D) Shares held by Holding Company**

Particulars	As on March 31, 2020		As on March 31, 2019	
	Number		Number	
Technocraft Industries (India) Ltd	499,930	4,999,300	499,930	4,999,300

**E) Details of Shareholders holding more than 5% shares in the company:**

Name of the Shareholder	Equity Shares			
	As on March 31, 2020		As on March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Technocraft Industries (India) Ltd	499,930	84.02	499,930	84.02
Mr.Girish G Godbole	41,651	7.00	41,651	7.00

F) The Company has not issued any equity shares as bonus or for Consideration other than cash & has not bought back any equity shares during the period of five years immediately preceeding 31st March, 2020.

**Note 11(b) : Other Equity**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Redemption Reserve	250,000	250,000
<b>Others :</b>		
Securities Premium	45,911,885	45,911,885
General Reserve	147,500,000	147,500,000
Retained Earnings	314,331,457	272,528,460
<b>Total Reserves and Surplus</b>	<b>507,993,342</b>	<b>466,190,345</b>

**(i) Capital Redemption Reserve**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	250,000	250,000
<b>Closing Balance</b>	<b>250,000</b>	<b>250,000</b>

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**(ii) Security Premium**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Opening Balance	45,911,885	45,911,885
<b>Closing Balance</b>	<b>45,911,885</b>	<b>45,911,885</b>

**(iii) General Reserve**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Opening Balance	147,500,000	147,500,000
<b>Closing Balance</b>	<b>147,500,000</b>	<b>147,500,000</b>

**(iv) Retained Earnings**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Opening Balance	272,528,460	192,192,926
Add : Total Comprehensive Income for the year after tax	42,396,543	80,335,534
Add : Transitional Adjustment of Ind AS 116	(593,546)	-
<b>Closing Balance</b>	<b>314,331,457</b>	<b>272,528,460</b>

**Capital Redemption Reserve**

Represent Reserve created during the buyback of Equity Shares and it is non distributable Reserve.

**Security Premium**

The amount received in excess of Face Value of the equity shares is recognised in securities premium.

**General Reserve**

The reserve arises on transfer portion of the net profit pursuant to the earlier Provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

**Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

**Note 12(a) : Current Borrowings**

Particulars	Interest Rate	As at	As at
		31st March, 2020	31st March, 2019
<b>Secured</b>			
<b>From Bank</b>			
H.D.F.C. Bank - Overdraft		3,728,519	4,228,526
<b>Unsecured</b>			
<b>From Related Party</b>			
Ashrit Holdings Ltd	10%	1,784,610	25,096,490
(Terms of Repayment - On Demand)			
<b>Total Current Borrowings</b>		<b>5,513,129</b>	<b>29,325,016</b>

**Nature of Security**

1. Overdraft from H.D.F.C. Bank are Secured Against Fixed Deposits of the Company.

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 12(b) : Trade payables**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
<b>Current</b>		
Amounts due to related parties	-	-
Total Outstanding dues to Micro & Small Enterprises	-	-
Others	3,668,551	5,359,871
<b>Total Trade Payables</b>	<b>3,668,551</b>	<b>5,359,871</b>

**Dues to Micro and Small Enterprises**

The Company does not have any dues to suppliers registered under Micro , Small and Medium Enterprises Development Act ,2006 ( 'MSMED Act').

Particulars	As At	As at
	31st March, 2020	31st March, 2019
The Principal amount remaining unpaid to any supplier at the end of the year	-	-
Interest due remaining unpaid to any supplier at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act , 2006, along with the amount of the payment made to the Supplier beyond the appointed day during the 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 above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act ,2006	-	-

**Note-Disclosure of payable to vendors as defined under the "Micro , Small and Medium Enterprise Development Act ,2006" is based on the information available with the Company regarding the Status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance sheet date . There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on Balance brought forward from previous year.**

**Note 12(c) : Other financial liabilities**

Particulars	As on March 31, 2020		As at 31st March , 2019	
	Current	Non - Current	Current	Non - Current
<b>Security Deposits with :</b>				
Others	8,452,294	15,532,867	2,472,824	18,313,945
Liabilities For Expenses	91,045,767	-	42,915,926	-
<b>Total Financial Liabilities</b>	<b>99,498,061</b>	<b>15,532,867</b>	<b>45,388,750</b>	<b>18,313,945</b>

**Note 13 : Provisions**

Particulars	As on March 31, 2020		As at 31st March , 2019	
	Current	Non - Current	Current	Non - Current
Provision For Leave Salary Encashment	67,626	2,580,169	111,836	2,419,725
Provision For Gratuity	271,215	13,421,266	397,328	11,436,826
<b>Total Employee Benefit Obligations*</b>	<b>338,841</b>	<b>16,001,435</b>	<b>509,164</b>	<b>13,856,551</b>

\*Also refer Note No. 27 of Employee Benefits

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 14 : Current Tax Liabilities (Net)**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Provision For Taxation	-	106,024,894
Less : Advance Tax	-	96,295,544
<b>Net Current Tax Liabilities</b>	<b>-</b>	<b>9,729,350</b>

**Note 15 : Other current liabilities**

Particulars	As at	As at
	31st March, 2020	31st March, 2019
Other Liabilities	2,507,917	3,411,631
<b>Total Other Current Liabilities</b>	<b>2,507,917</b>	<b>3,411,631</b>

**Note 16 : Revenue From Operations**

Particulars	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
<i>Rendering Of Services</i>		
Export (Net)	298,136,771	347,877,834
Local Sales	18,369,556	19,670,687
<b>Total Revenue from Continuing Operations</b>	<b>316,506,327</b>	<b>367,548,521</b>

**Contract Balances**

Particulars	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
Trade Receivables	100,426,353	85,935,324
Contract Liabilities (Advances from Customers)	-	-

**Reconciling the Amount of Revenue recognised in the statement of Profit & Loss with the Contracted Prices**

Particulars	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
Contract Price	379,062,363	371,708,743
Less Discount , rebates , Claims etc	62,556,036	4,160,222
<b>Total Revenue from Operations as per statement of Profit &amp; Loss</b>	<b>316,506,327</b>	<b>367,548,521</b>

**Note 17 : Other Income and Other Gains/(Losses)**

Particulars	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
Rental Income	38,879,182	35,576,325
Net Gain on financial assets measured through fair value through profit and loss	2,421,977	11,610,894
Net Gain on Disposal of Investments mandatorily measured at fair value through profit and loss	11,500	413,083
Net Foreign Exchange Gain	10,412,973	984,106
Interest Income	1,782,358	1,744,898
Other Non Operating Income	7,431,344	2,274,795
<b>Total Other Income</b>	<b>60,939,334</b>	<b>52,604,101</b>

**Note 18 : Employee benefits expense**

Particulars	Year Ended	Year Ended
	31st March, 2020	31st March, 2019
Salaries, Wages, Bonus, allowances etc	221,631,129	225,381,983
Contribution To Provident Fund, ESIC & Other Funds	4,806,324	4,786,616
Gratuity Expenses (Refer Note No. 27 of Employee Benefits)	3,581,100	3,145,625
Staff Welfare Expenses	1,687,196	2,592,450
<b>Total Employee Benefits Expense</b>	<b>231,705,749</b>	<b>235,906,674</b>

**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 19 : Finance costs**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Interest</b>		
Interest Expenses (net)	2,454,402	2,841,646
<b>Other Finance Cost</b>		
Bank Charges	356,683	255,332
<b>Finance Cost expensed in Profit or Loss</b>	<b>2,811,085</b>	<b>3,096,978</b>

**Note 20 : Depreciation and amortisation expenses**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Depreciation on Property,Plant and Equipment	17,227,802	18,503,821
Depreciation on Investment Properties	2,136,666	2,245,638
Amortisation of Intangible Assets	6,245,504	9,356,470
<b>Total Depreciation and amortisation expense</b>	<b>25,609,972</b>	<b>30,105,929</b>

**Note 21 : Other expenses**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Advertisement	244,520	907,095
Computer Expenses	10,144,196	8,062,921
Repairs & Maintenance		
Buildings	195,687	1,744,967
Others	4,228,546	3,985,501
Power & Electricity	6,457,420	6,174,655
Water Charges	343,871	147,986
Commission/Brokerage	-	18,000
Sales Promotion	220,604	142,814
Traveling & Conveyance Expenses	2,929,601	4,004,059
Vehicle Exps	1,045,931	1,132,438
Legal & Professional Exps	20,525,824	5,379,132
Licence & Membership Fees	256,035	416,864
Rent, Rates & Taxes	2,884,625	4,720,751
Insurance (General)	494,771	140,654
Engineering & Design Charges	7,844,613	1,354,292
Technical Training Expenses	-	61,300
Printing & Stationery	314,166	392,104
Postage,Telegram & Telephone Exp.	2,934,498	3,387,397
Miscellaneous Expenses	253,334	188,831
Payment to Auditors - Note 21 (a) below	419,360	218,280
Sundry Balance written off	-	20,747
<b>Total Other expenses</b>	<b>61,737,602</b>	<b>42,600,788</b>

**Note 21 (a) : - Details of Payment to Auditors**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fee	300,000	150,000
Tax Audit Fee	100,000	50,000
<b>In other capacities :</b>		
Certification Expenses	15,000	15,000
Out of Pocket expenses	4,360	3,280
<b>Total Payment to Auditors</b>	<b>419,360</b>	<b>218,280</b>



**TECHNO SOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 22 : Tax Expense**

**(a) Amounts recognised in profit or loss**

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
<b>Current tax expense (A)</b>		
Current year	12,015,000	28,306,200
Taxation of earlier years	360,849	-
	<u>12,375,849</u>	<u>28,306,200</u>
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	1,137,144	376,094
	<u>13,512,993</u>	<u>28,682,294</u>

**(b) Amounts recognised in other comprehensive income / (expenses)**

Particulars	2019-20			2018-19		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of the defined benefit plans	438,694	110,411	328,283	797,416	221,841	575,575
	<u>438,694</u>	<u>110,411</u>	<u>328,283</u>	<u>797,416</u>	<u>221,841</u>	<u>575,575</u>

**(c) Reconciliation of effective tax rate**

Particulars	Year Ended March 31,2020	Year Ended March 31,2019
<b>Profit before tax</b>	55,581,253.00	108,442,253.00
Applicable tax rate (Current year 25.168% and Previous Year 27.82%)	13,988,690.00	30,168,635.00
<b>Tax effect of :</b>		
Tax effect on non-deductible /Allowable on Payment Basis	920,817.00	495,370.00
Excess of depreciation over books under income tax	667,768.00	4,605,900.00
Exempt Income	-	(516,569.00)
Deductions under various sections of Income Tax Act, 1961	(3,280,036.00)	(3,078,602.00)
Effect of taxation of Capital Gains	(809,835.00)	-
Others	1,664,740.00	(2,992,440.00)
Tax Adjustment of earlier years	360,849.00	-
<b>Tax expense as per Statement of Profit &amp; Loss</b>	<u>13,512,993.00</u>	<u>28,682,294.00</u>
<b>Effective tax rate</b>	<u>24.31%</u>	<u>26.45%</u>

**Movement in deferred tax balances**

Particulars	31/03/2020			As at 31st March, 2020 Deferred tax Asset/ (Liabilities)
	As at 1st April, 2019 Deferred Tax Asset/(Liabilities)	Credit / (Charge) in profit or loss	Credit / (Charge) in OCI	
<b>Deferred tax Assets/ (Liabilities)</b>				
Depreciation	1,023,714	446,761	-	1,470,475
Tax Losses	22,127,298	459,849	-	22,587,147
Expenses Allowed in the year of Payment	3,774,780	115,900	(110,411)	3,780,269
Investments	(2,580,122)	(1,817,319)	-	(4,397,441)
Others	(495,808)	(342,335)	-	(838,143)
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<u>23,849,862</u>	<u>(1,137,144)</u>	<u>(110,411)</u>	<u>22,602,307</u>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

Particulars	31/03/2019			As at 31st March, 2019 Deferred tax Asset/ (Liabilities)
	As at 1st April, 2018 Deferred Tax Asset/(Liabilities)	Credit / (Charge) in profit or loss	Credit / (Charge) in OCI	
<b>Deferred tax Assets/(Liabilities)</b>				
Depreciation	3,062,632	(2,038,918)	-	1,023,714
Tax Losses	21,914,540	212,758	-	22,127,298
Expenses Allowed in the year of Payment	3,201,511	795,110	(221,841)	3,774,780
Investments	(3,001,780)	421,658	-	(2,580,122)
Others	(729,106)	233,298	-	(495,808)
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<b>24,447,797</b>	<b>(376,094)</b>	<b>(221,841)</b>	<b>23,849,862</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has opted for reduced tax rate as per Section 115BBA of the Income Tax Act, 1961 (Introduced by the Taxation Laws (Amended) Ordinance, 2019). Accordingly the Company has recognised Provision for Income Tax for the year and re-measured its Deferred tax Liability Basis at the rate prescribed in the said section.

**Note 23 : Earnings per equity share:**

Particulars	Year Ended March 31,2020	Year Ended March 31,2019
<b>Earnings Per Share has been computed as under :</b>		
<b>Net Profit after tax attributable to Equity Shareholders</b>	<b>42,068,260</b>	<b>79,759,959</b>
Weighted Average No of Equity Shares Outstanding during the Year	595,011	595,011
Basic Earning per share (in `) (Face Value of ₹ 10/- per share)	70.70	134.05
Diluted Earning per share (in `) (Face Value of ₹ 10/- per Share)	70.70	134.05

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 24 : Contingent Liabilities (to the extent not Provided for)**

<b>Contingent Liabilities not provided for</b>	<b>As at 31st March , 2020</b>	<b>As at 31st March , 2019</b>
Demands not acknowledged as Debts		
Income Tax Matters (Penalty)	163,668	163,668
Legal Matters	400,000	400,000

**Note- 25 Assets Pledged as Security**

The carrying amount of assets Pledged as security for Current & non current borrowings are as below :

<b>Particulars</b>	<b>As at 31st March , 2020</b>	<b>As at 31st March , 2019</b>
<b>Non Current Assets</b>		
Leasehold Land	36,454	37,352
Investment Property	39,719,827	41,742,206
Factory Building	34,396,059	36,007,798
<b>Other Financial Assets</b>		
Fixed Deposits with Bank	-	20,100,000
<b>Total Non Current Assets Pledged as security</b>	<b>74,152,340</b>	<b>97,887,356</b>
<b>Other Financial Assets</b>		
Fixed Deposits with Banks	20,100,000	-
<b>Total Current Assets Pledged as security</b>	<b>20,100,000</b>	<b>-</b>
<b>Total Assets Pledged as Security</b>	<b>94,252,340</b>	<b>97,887,356</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 26 : Related Party disclosures**

The related Parties as per the terms of Ind AS-24, " Related Party Disclosures". (Specified under Section 133 of the Companies Act 2013, read with Rule 7 of Companies (Accounts) Rules ,2015) are disclosed below

**A.Name of the related Parties and description of relationship:**

**(i) Related Party where Control exists**

**Holding Company**

1.Technocraft Industries (India) Ltd.

**Subsidiary Companies**

- 1.Technosoft Engineering Inc.  
(Formerly Known as Impact Engineering Solutions Inc.)
- 2.Technosoft GMBH  
(Formerly Known as CAE Systems GMBH)
- 3.Technosoft Engineering UK Ltd

**Step down Subsidiary Companies**

- 1.Swift Projects Inc.(Upto 31st Dec 2019)
- 2 Technosoft Innovations Inc.
- 3.Technosoft Services Inc, USA
- 4.2045690 Alberta Ltd., Canada (Step Engineering) (Upto 31st Dec 2019)

**Fellow Subsidiaries**

- 1.Technocraft Trading Spolka Z.O.O
- 2.Technocraft Australia Pty Ltd.
- 3.Technocraft International Limited
- 4.Anhui Reliable Steel Technology Company Ltd.
- 5.Shreyan Infra & Power LLP (Upto 26th Nov 2019)
- 6.Techno Defence Pvt. Ltd.
- 7.Highmark International Trading ,UAE
- 8.AAIT /Technocraft Scaffold Distribution LLC,USA
- 9.Technocraft NZ Limited
- 10.Shivale Infraproducts Private Limited (From 28th Nov 2019)

**Joint Venture of the Holding Company**

- 1.Technocraft Tabla Formwork Systems Pvt. Ltd

**Associate of the Holding Company**

- 1.Benten Technologies LLP (From 6th June 2019)

**Name of other Related parties with whom transactions have taken place during the year  
Enterprises in which KMP/ Relative of KMP are Interested**

- 1.Ashrit Holdings Limited
- 2.BMS Industries Ltd
3. Paithan Paithan Eco Food Pvt. Ltd.
4. Brand You Digital

**Relative of KMP**

- 1.Ritu Saraf

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

<b>Transactions during the Year</b>	<b>2019-20</b>	<b>2018-19</b>
<b>A.Sales of Services</b>		
<b>Holding Company</b>		
1.Technocraft Industries (India) Ltd.	13,516,833	15,460,387
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	284,415,231	271,034,464
2. Technosoft Innovations Inc.	13,130,854	19,697,977
3. 2045690 Alberta Ltd., Canada (Step Engineering)	250,775	181,552
4.Technosoft Engineering UK Ltd	5,684,129	1,564,833
5.Technosoft GMBH	10,142,856	8,346,966
<b>Fellow Subsidiaries</b>		
1.Technocraft International Limited	9,209,523	21,811,403
2.AAIT /Technocraft Scaffold Distribution LLC,USA	1,342,470	851,093
3.Technocraft Australia Pty Ltd.	153,615	-
<b>Enterprises in which KMP/ Relative of KMP are Interested</b>		
1.BMS Industries Ltd	4,766,589	4,092,588
2.Paithan Eco Food Pvt. Ltd.	34,000	76,700
3. Brand You Digital	55,084	-
<b>B.Purchases ( Computer)</b>		
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	324,193	-
<b>C.Quality Claims</b>		
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1. Technosoft Innovations Inc.	61,712,159	-
2.Technosoft Engineering UK Ltd	780,670	2,121,540
3.Technosoft GMBH	14,488	-
<b>D.Interest Paid</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	1,482,900	1,551,656
<b>E.Loan Repaid</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	213,950,000	429,057,256
<b>F.Loan Taken</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	190,638,120	424,697,490
<b>G.Recovery of Expenses</b>		
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	9,255,155	8,905,586
2. Technosoft Innovations Inc.	7,625,731	10,094,936
3.Technosoft Engineering UK Ltd	-	1,101,524
4.Technocraft International Limited	-	21,991
5.Technosoft GMBH	303,809	1,000,935

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

<b>H.Reimbursement of Expenses</b>		
<b>Fellow Subsidiaries/Subsidiary Companies</b>		
1.Technocraft International Limited	375,105	436,000
2.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	1,183,533	1,077,371
3. Technosoft Innovations Inc.	12,737,680	47,462
4.Technosoft GMBH	-	64,824
<b>I.Professional Fees Paid</b>		
<b>Relative of KMP</b>		
1.Ritu Saraf	-	900,000

<b>Amount due to / From Related Parties</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
<b>A.Trade &amp; Other Receivables</b>		
<b>Subsidiary Companies /Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	86,105,073	66,562,481
2. Technosoft Innovations Inc.	-	6,952,606
3.2045690 Alberta Ltd., Canada (Step Engineering)	41,478	83,352
4.Technosoft Engineering UK Ltd	4,762,517	1,054,905
5.Technosoft GMBH	4,466,153	1,308,401
<b>Fellow Subsidiaries</b>		
1.Technocraft International Limited	712,188	6,315,983
2.AAIT /Technocraft Scaffold Distribution LLC,USA	453,990	103,733
3.Technocraft Australia Pty Ltd.	133,194	-
<b>Enterprises in which Relative of KMP are Interested</b>		
1. Brand You Digital	59,492	-
<b>B.Loan payable</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	1,784,610	25,096,490
<b>C.Trade &amp; Other Payables</b>		
1. Technosoft Innovations Inc.	47,253,762	-
2.Technosoft Engineering UK Ltd	85	-

**Note**

1) The transactions with related parties are made on terms equivalent to those that Prevail in arm's Length transactions

Outstanding balances at the year end are unsecured. The Company has not recorded any impairment of receivables relating to amounts owned by the related Parties .This assessment is undertaken each Financial year through examining the Financial Position of the related party and the market in which the related Party operates.

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note 27 : DISCLOSURE PURSUANT TO Ind AS - 19 “EMPLOYEE BENEFITS”**

**[A] Post Employment Benefit Plans:**

**Defined Contribution Scheme**

The Company contributes at a defined percentage of the employee salary out of the total entitlements on account of superannuation benefits under this scheme.

<b>Amount recognised in the Statement of Profit and Loss</b>	<b>2019-20</b>	<b>2018-19</b>
Defined Contribution Scheme	4,194,903	3,960,407

**Defined Benefit Plans**

The Company has the following Defined Benefit Plans

Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan (“The Gratuity Plan”) covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

**The disclosure in respect of the defined Gratuity Plan are given below:**

<b>Particulars</b>	<b>Defined Benefit Plans</b>	
	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
Present value of unfunded obligations	13,692,481	11,834,154
Fair Value of plan assets	-	-
<b>Net (Asset)/Liability recognised</b>	<b>13,692,481</b>	<b>11,834,154</b>

**Changes in Defined benefit obligations**

<b>Particulars</b>	<b>Present value of obligations</b>	
	<b>2019-20</b>	<b>2018-19</b>
Defined Obligations at the beginning of the year	11,834,154	9,549,983
Current service cost	2,673,532	2,418,987
Past service cost	-	-
Interest Cost/(Income)	907,568	726,638
Return on plan assets excluding amounts included in net finance income	-	-
Actuarial (gain)/loss arising from change in financial assumptions	1,609,531	(163,277)
Actuarial (gain)/loss arising from change in demographic assumption	(13,670)	-
Actuarial (gain)/loss arising from experience adjustments	(2,034,554)	(634,139)
Employer contributions	-	-
Benefit payments	(1,284,080)	(64,038)
<b>Defined Obligations at the end of the year</b>	<b>13,692,481</b>	<b>11,834,154</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Statement of Profit and Loss**

<b>Employee benefit expenses :</b>	<b>2019-20</b>	<b>2018-19</b>
Current Service cost	2,673,532	2,418,987
Interest cost/ (Income)	907,568	726,638
<b>Total amount recognised in Statement of P&amp;L</b>	<b>3,581,100</b>	<b>3,145,625</b>
Remeasurement of the net defined benefit liability :		
Return on plan assets excluding amounts included in net finance income/(cost)	-	-
Change in Financial Assumptions	1,609,531	(163,277)
Change in Demographic Assumption	(13,670)	-
Experience gains/(losses)	(2,034,554)	(634,139)
<b>Total amount recognised in Other Comprehensive (Income) / Expenses</b>	<b>(438,693)</b>	<b>(797,416)</b>

**Assumptions**

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

<b>Financial Assumptions</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
Discount rate ( p.a.)	6.90%	7.80%
Salary escalation rate ( p.a.)	5.00%	5.00%
Withdrawal Rates ( p.a.)	2% at younger ages reducing to 1% at older ages	2% at younger ages reducing to 1% at older ages

**Demographic Assumptions**

Mortality in service : Indian Assured Lives Mortality (2006-08)

**Sensitivity**

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

<b>Particulars</b>	<b>As at 31-Mar-20</b>	<b>As at 31-Mar-19</b>
	<b>Increase /Decrease in liability</b>	<b>Increase /Decrease in liability</b>
<u>Discount rate varied by 0.5%</u>		
0.50%	12,765,097	11,061,442
-0.50%	14,711,916	12,681,843
<u>Salary growth rate varied by 0.5%</u>		
0.50%	14,726,103	12,701,219
-0.50%	12,744,802	11,038,189
<u>Withdrawal rate (W.R.) varied by 10%</u>		
W.R.* 110%	13,743,267	11,905,112
W.R.* 90%	13,640,147	11,761,171



**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

Expected contribution	As at 31st March 2020	As at 31st March 2019
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	271,215	397,328
2nd following year	305,377	294,360
3rd following year	341,296	327,031
4th following year	373,656	359,529
5th following year	1,028,130	391,185
Years 6 to 10	3,860,232	2,778,829

**[B] Other Long term employee benefits**

Leave Encashment:

The Employees are entitled to accumulate Earned Leave , which can be availed during the service period. Employees are also allowed to encash the accumulated earned leave during the service period. Further, the accumulated earned leave can be encashed by the employees on superannuation, resignation, and termination or by nominee on death.

Particulars	Defined Benefit Plans	
	As at 31-Mar-20	As at 31-Mar-19
Present value of unfunded obligations	2,647,795	2,531,561
<b>Net (Asset)/Liability recognised</b>	<b>2,647,795</b>	<b>2,531,561</b>

**Reconciliation of balances of Defined Benefit Obligations.**

	Leave Encashment - Unfunded	
	2019-20	2018-19
Defined Obligations at the beginning of the year	2,531,561	2,069,693
Current Service Cost	1,891,125	1,665,204
Interest Cost	193,100	156,261
Actuarial loss/(gain) due to change in financial assumptions	303,049	(33,765)
Actuarial loss/(gain) due to change in demographic assumptions	(2,522)	-
Actuarial loss/ (gain) due to experience adjustments	(1,478,268)	(927,964)
Benefits paid	(790,250)	(397,868)
<b>Defined Obligations at the end of the year</b>	<b>2,647,795</b>	<b>2,531,561</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Amount recognised in Statement of Profit and Loss**

Particulars	2019-20	2018-19
Current Service Cost	1,891,125	1,665,204
Net Interest Cost	193,100	156,261
Net value of remeasurements on the obligation and plan assets	(1,177,741)	(961,729)
<b>Total amount recognised in Statement of P&amp;L</b>	<b>906,484</b>	<b>859,736</b>
Return on plan assets excluding amounts included in net finance income/(cost)		
Change in Financial Assumptions	303,049	(33,765)
Change in Demographic Assumptions	(2,522)	-
Experience gains/(losses)	(1,478,268)	(927,964)
<b>Net Actuarial Loss/(Gain)</b>	<b>(1,177,741)</b>	<b>(961,729)</b>

**Major Actuarial Assumptions**

Particulars	2019-20	2018-19
Discount Rate (%)	6.90%	7.80%
Salary Escalation/ Inflation (%)	5.00%	5.00%
Withdrawal Rates	2% at younger ages reducing to 1% at older ages	2% at younger ages reducing to 1% at older ages

The expected future cash flows as at 31st March 2020 & as at 31st March 2019 were as follows:

Expected contribution	As at 31st March 2020	As at 31st March 2019
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	67,626	111,836
2nd following year	69,895	75,311
3rd following year	72,410	76,345
4th following year	74,260	79,037
5th following year	392,152	82,081
Years 6 to 10	530,610	707,021

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 28: Fair Value Measurements**

**A. Financial instruments by category and fair value hierarchy :**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

31st March 2020	Carrying Value			Fair value				
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through Profit and loss :</b>								
<b>Non-current :</b>								
Investment In Mutual Funds	169,099,268	-	-	169,099,268	169,099,268	-	-	169,099,268
<b>Current :</b>								
Investment In Mutual Funds	73,810,713	-	-	73,810,713	73,810,713	-	-	73,810,713
<b>Financial assets at amortised cost</b>								
<b>Non-current :</b>								
Deposits	-	-	4,663,114	4,663,114	-	-	-	-
<b>Current :</b>								
Deposits	-	-	2,137,363	2,137,363	-	-	-	-
Loan to Employees	-	-	1,030,403	1,030,403	-	-	-	-
Cash and cash equivalents	-	-	17,716,719	17,716,719	-	-	-	-
Other Bank Balances	-	-	20,100,000	20,100,000	-	-	-	-
Trade receivables	-	-	100,426,353	100,426,353	-	-	-	-
Others	-	-	4,045,438	4,045,438	-	-	-	-
	<b>242,909,981</b>	-	<b>150,119,390</b>	<b>393,029,371</b>	<b>242,909,981</b>	-	-	<b>242,909,981</b>
<b>Financial liabilities at amortised cost</b>								
Short Term Borrowings	-	-	5,513,129	5,513,129	-	-	-	-
Trade and Other Payables	-	-	3,668,551	3,668,551	-	-	-	-
Deposits	-	-	23,985,161	23,985,161	-	-	-	-
Other Current Financial Liabilities	-	-	91,045,767	91,045,767	-	-	-	-
	-	-	<b>124,212,608</b>	<b>124,212,608</b>	-	-	-	-

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

31st March 2019	Carrying amount			Fair value				
	Mandatorily at FVTPL	FVTOCI - designated as such	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value through Profit and loss :</b>								
<b>Non-current :</b>								
Investment In Mutual Funds	131,759,550	-	-	131,759,550	131,759,550	-	-	131,759,550
<b>Current :</b>								
Investment In Mutual Funds	67,607,554	-	-	67,607,554	67,607,554	-	-	67,607,554
<b>Financial assets at amortised cost</b>								
<b>Non-current :</b>								
Deposits	-	-	23,037,477	23,037,477	-	-	-	-
<b>Current :</b>								
Deposits	-	-	4,175,035	4,175,035	-	-	-	-
Loan to Employees	-	-	1,208,772	1,208,772	-	-	-	-
Cash and cash equivalents	-	-	2,088,258	2,088,258	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Trade receivables	-	-	85,935,324	85,935,324	-	-	-	-
Others	-	-	1,943,251	1,943,251	-	-	-	-
	<b>199,367,104</b>	-	<b>118,388,117</b>	<b>317,755,221</b>	<b>199,367,104</b>	-	-	<b>199,367,104</b>
<b>Financial liabilities at amortised cost</b>								
Short Term Borrowings	-	-	29,325,016	29,325,016	-	-	-	-
Trade and Other Payables	-	-	5,359,871	5,359,871	-	-	-	-
Deposits	-	-	20,786,769	20,786,769	-	-	-	-
Other Current Financial Liabilities	-	-	42,915,926	42,915,926	-	-	-	-
	-	-	<b>98,387,582</b>	<b>98,387,582</b>	-	-	-	-

During the reporting period ended March 31, 2020 and March 31, 2019, there were no transfers between level 1 and level 2 fair value measurements.

**B. Measurement of fair values**

The following methods and assumptions were used to estimate the fair values of financial instruments :

- i) The management assessed that fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair values of the Equity/Mutual fund Investmentst which are quoted are derived from quoted market prices in active markets.

## **TECHNOFT ENGINEERING PROJECTS LTD**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

#### **Note 29 : Financial Risk Management**

##### **Risk management framework**

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects of all the risk on its financial performance. The Board of Directors and the Audit Committee are responsible for overseeing the Company's risk assessment and management policies and processes.

The Company's has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Market risk ; and
- Liquidity risk

##### **1. Credit Risk**

The Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set and periodically reviewed on the basis of such Information .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company categorises a trade receivable for write off when a debtor fails to make contractual payments or on case to case basis. Where trade receivables have been written off, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as Income in the statement of profit or loss.

The Company measures loss rate for trade receivables from Individual customers based on the historical trend, industry practices and the business environment in which the entity operates .Loss rates are based on Past Trends . Based on the historical data , no probable loss on collection of receivable is anticipated & hence no provision is considered .

In case of Credit risks from balances with banks and financial institutions , the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit-ratings assigned by credit-rating agencies.

##### **Ageing of Account receivables**

<b>Particulars</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
Not due	87,229,017	79,797,323
0-90 days	12,726,090	5,415,026
91-180 days	-	677,848
181 to 270 days	21,499	45,127
271 to 365 days	449,747	-
365 days & Above	-	-
<b>Total</b>	<b>100,426,353</b>	<b>85,935,324</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020

### **2. Market risk**

Market Risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly of currency risk and interest rate risk. Financial Instrument affected by Market risks includes foreign Currency Receivables and payables .The Company has set processes and policies to assess, control and monitor the effect of the risk on the financial performance of the company.

#### **i) Currency Risk**

This is the risk that the Company may suffer losses as a result of adverse exchange rate movement during the relevant period.The Company is exposed to currency risk on account of its operating activities. The functional currency of the Company is Indian Rupee. The senior management personnel are responsible for identifying the most effective and efficient ways of managing currency risk.

#### **Unhedged Foreign Currency exposures**

##### **(a) Particulars of Unhedged Foreign Currency exposures as at the reporting date**

###### **As as 31st March 2020**

<b>Particulars</b>	<b>USD</b>	<b>EURO</b>	<b>AUD</b>	<b>CAD</b>	<b>GBP</b>
Trade Receivables / Other Financial Assets	1,109,700	73,508	2,891	88,993	58,554
Advances Recoverable in cash or kind	34,322	-	-	-	-
Trade Payables / Other Financial Liabilities	624,640	-	-	-	-
<b>Net</b>	<b>1,768,662</b>	<b>73,508</b>	<b>2,891</b>	<b>88,993</b>	<b>58,554</b>

###### **As as 31st March 2019**

<b>Particulars</b>	<b>USD</b>	<b>EURO</b>	<b>AUD</b>	<b>CAD</b>	<b>GBP</b>
Trade Receivables / Other Financial Assets	1,064,399	36,703	-	40,635	81,424
Advances Recoverable in cash or kind	36,153	-	-	-	-
Trade Payables / Other Financial Liabilities	-	-	-	-	-
<b>Net</b>	<b>1,100,552</b>	<b>36,703</b>	<b>-</b>	<b>40,635</b>	<b>81,424</b>

#### **b) Foreign Currency Risk Sensitivity**

A reasonably possible strengthening / (weakening) of the Indian Rupee against various below currencies at 31st March would have affected the measurement of financial instruments denominated in those currencies and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales .

A change in 1% in Foreign Currency would have following Impact on Profit before tax assuming that all other variables , in Particular interest rate remain constant & ignoring any impact of forecast Sales .

	<b>2019-20</b>		<b>2018-19</b>	
	<b>1% increase</b>	<b>1% Decrease</b>	<b>1% increase</b>	<b>1% Decrease</b>
USD	1,338,258	(1,338,258)	761,087	(761,087)
EURO	60,843	(60,843)	28,508	(28,508)
AUD	1,332	(1,332)	-	-
GBP	54,749	(54,749)	73,709	(73,709)
CAD	47,240	(47,240)	20,943	(20,943)
<b>Increase / (Decrease) in Profit or Loss</b>	<b>1,502,422</b>	<b>(1,502,422)</b>	<b>884,247</b>	<b>(884,247)</b>

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**3. Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Company maintains flexibility in funding by maintaining availability under committed credit lines. The Management monitors rolling forecasts of the Company's Liquidity position and cash and cash equivalents on the basis of the expected cash flows. The Company assessed the Concentration of risk with respect to its debt and concluded it to be low.

**Maturity patterns of borrowings**

**As at 31st March , 2020**

	<b>0-1 years</b>	<b>1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Short term borrowings	5,513,129	-	-	<b>5,513,129</b>
<b>Total</b>	<b>5,513,129</b>	<b>-</b>	<b>-</b>	<b>5,513,129</b>

**As at 31st March , 2019**

	<b>0-1 years</b>	<b>1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Short term borrowings	29,325,016	-	-	<b>29,325,016</b>
<b>Total</b>	<b>29,325,016</b>	<b>-</b>	<b>-</b>	<b>29,325,016</b>

**Maturity patterns of other Financial Liabilities**

**As at 31st March , 2020**

	<b>0-1 years</b>	<b>1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Trade Payables	3,668,551.00	-	-	<b>3,668,551.00</b>
Other Financial Liabilities (Current & Non Current)	99,498,061	15,532,867	-	<b>115,030,928</b>
<b>Total</b>	<b>103,166,612</b>	<b>15,532,867</b>	<b>-</b>	<b>118,699,479</b>

**As at 31st March , 2019**

	<b>0-1 years</b>	<b>1-5 years</b>	<b>Beyond 5 years</b>	<b>Total</b>
Trade Payables	5,359,871	-	-	<b>5,359,871</b>
Other Financial Liabilities (Current & Non Current)	45,388,750	18,313,945	-	<b>63,702,695</b>
<b>Total</b>	<b>50,748,621</b>	<b>18,313,945</b>	<b>-</b>	<b>69,062,566</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note 30 : Capital Risk Management**

For the Purpose of Company's Capital management , Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The Primary Objective of the Company's Capital management is to ensure that it maintains an efficient capital Structure and maximise shareholder Value. The Company is monitoring capital using Net debt equity ratio as its base ,which is Net debt to equity.

The company's Policy is to keep Net debt equity ratio below 0.50 and infuse capital if and when required through better operational results and efficient working capital Management

<b>Particulars</b>	<b>31st March , 2020</b>	<b>31st March , 2019</b>
Net Debt *	(12,203,590)	27,236,758
Total Equity	513,943,452	472,140,455
<b>Net Debt to Total Equity</b>	<b>(0.02)</b>	<b>0.06</b>

\*Net Debt= Current Borrowings -Cash & Cash Equivalents



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note No 31 Disclosure in respect of Leases**

i) The Company's lease asset primarily consist of office Building. Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and has measured right of use asset at an amount equal to lease liability adjusted for any related prepaid and accrued lease payments previously recognised.

(ii) The following is the summary of practical expedients elected on initial application:

(a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date

(b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application

(c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

(d) Applied the practical expedient by not reassessing whether a contract is, or contains, a lease at the date of initial application. Instead applied the standards only to contracts that were previously identified as leases under Ind AS 17.

(e) Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

(iii) Following is carrying value of right of use assets recognised on date of transition and the movements thereof during the year ended 31st March , 2020

<b>Particulars</b>	<b>Right of Use Asset</b>
Balance as at 1st April , 2019	-
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note 3)	8,673,197
<b>Total Right of Use on the date of transition</b>	<b>8,673,197</b>
Additions during the year	-
Deletion during the year	-
Depreciation of Right of use assets	4,165,828
<b>Balance as at 31st March,2020</b>	<b>4,507,369</b>

(iv) The following is the carrying value of lease liability on the date of transition and movement thereof during the year ended 31st March, 2020

<b>Particulars</b>	<b>Amount</b>
Transition impact on account of adoption of Ind AS 116 "Leases"	9,266,743
Additions during the year	-
Finance cost accrued during the year	238,347
Deletions	-
Payment of Lease Liabilities	5,009,460
<b>Balance as at 31st March,2020</b>	<b>4,495,630</b>
Current maturities of Lease liability	3,513,135
Non-Current Lease Liability	982,495

(v) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2020**

**Note : 32 Disclosure in respect of Expenditure on Corporate Social Responsibility Activities :**

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
a) Amount required to be spent as per Section 135 of the Act	1,189,367	803,040
b) Amount Spent during the year on		
(i) Construction / Acquisition of an asset	-	-
(ii) On Purpose other than (i) above		

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020**

**Note-33 Other Accompanying Notes**

1. On account of the spread of COVID-19 virus, the Government of India had imposed a complete nation-wide lockdown on March 24, 2020 . In response to the lockdowns, the Company launched a massive program to ensure business continuity of its services using its Secure Borderless Workspaces model , which allows its employees to work remotely from the Safety of their homes while Continuing to provide Uninterrupted services to Customers.The Company believes that the pandemic is not likely to impact the recoverability of the Carrying value of its assets.

2) Previous Years Figures have been regrouped / rearranged where ever necessary to make them Comparable with the Current year Figures.

3) As per Ind AS - 108 in respect of segment reporting, the only segment in which company deals is rendering of Engineering ,Design and other related Information Technology Enabled Services. Hence the disclosure as per Ind AS-108 is not applicable to the Company.

4) Note 1 to 33 Forms an Intergral Part of the Financial Statements.

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**V.L. BAJAJ**  
PARTNER  
M.NO 104982

sd/-

**S.K. SARAF**  
DIRECTOR  
DIN 00035843

sd/-

**NAVNEET SARAF**  
DIRECTOR  
DIN 00035686

PLACE: MUMBAI

DATE : 23rd July 2020

**TECHNOCRAFT TABLA  
FORMWORK SYSTEMS PVT LTD,  
INDIA**

# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of Technocraft Tabla Formwork Systems Private Limited

## Report on the Standalone Financial Statements

### **Opinion**

We have audited the accompanying Standalone IND AS financial statements of **TECHNOCRAFT TABLA FORMWORK SYSTEMS PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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 standalone Ind AS 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 31<sup>st</sup> March, 2020, its **Loss** including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

### **Basis of Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SA's), 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 standalone Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Other Information**

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the 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.

### **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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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 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 purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the current year. Hence we have nothing to report in this regard.
- (g) 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**.
- (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 in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

**sd/-  
(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABN1141**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT TABLA FORMWORK SYSTEMS PRIVATE LIMITED on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020, We report that:**

1. The Company does not own any fixed assets during the financial year under review. Therefore, comments regarding maintenance of proper records, Physical verification of Fixed Assets by the management and title of the immovable Properties are not required and accordingly the provisions of clause 3 (i) (a) to (c) of the order are not applicable to the Company.
2. There were no stock of goods during the financial year with the Company; hence, comments on its physical verification and Material discrepancies is not required and accordingly the provisions of clause 3 (ii) of the order, is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause 3 (iii), (iii) (a), (iii) (b) & (iii) (c) of the order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Act.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. The Central Government of India has not prescribed the Maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the Services rendered by the Company and accordingly Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.
- 7a. According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing provident fund dues, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31<sup>st</sup> March, 2020 for a period exceeding six months from the date they became payable;
- 7b. According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Service Tax and Cess etc. Goods & Service Tax (GST),
8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.

9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current year and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.
10. According to the information and explanations given to us by the management, which has been relied upon by us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act, 2013.
12. 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.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Ind AS "24", Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors. Accordingly, the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the order is not applicable to the Company.

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**sd/-**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABN1141**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

## **ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT TABLA FORMWORK SYSTEMS PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2020. We report that:**

**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 **TECHNOCRAFT TABLA FORMWORK SYSTEMS PRIVATE LIMITED**, (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone IND AS 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 controls system over financial reporting.

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

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

## **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, 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 M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**sd/-**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABN1141**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

**Technocraft Tabla Formwork Systems Private Limited**  
(CIN - U29300MH2010PTC201272)  
**Balance Sheet as at 31st March 2020**

(Amount in ₹)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Deferred Tax Asset	3	1,192,822	1,192,822
<b>Total Non - Current Assets</b>		<b>1,192,822</b>	<b>1,192,822</b>
<b>Current Assets</b>			
Financial Assets			
Cash and cash equivalents	4	163,313	184,293
Current Tax Assets (Net)	5	762,721	762,721
<b>Total Current Assets</b>		<b>926,034</b>	<b>947,014</b>
<b>Total Assets</b>		<b>2,118,856</b>	<b>2,139,836</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	6(a)	10,000,000	10,000,000
Other Equity	6(b)	(7,887,044)	(7,866,064)
<b>Total Equity</b>		<b>2,112,956</b>	<b>2,133,936</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial Liabilities			
Other Financial Liabilities	7	5,900	5,900
<b>Total Current Liabilities</b>		<b>5,900</b>	<b>5,900</b>
<b>Total Equity and Liabilities</b>		<b>2,118,856</b>	<b>2,139,836</b>
<b>Significant Accounting Policies</b>	1 & 2		

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date  
**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & On Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
M.NO :104982

sd/-  
Sharad Kumar Saraf  
**DIRECTOR**  
DIN No :00035843

sd/-  
Navneet Kumar Saraf  
**DIRECTOR**  
DIN No :00035686

PLACE: MUMBAI  
DATE : 23rd July 2020

**Technocraft Tabla Formwork Systems Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2020**

(Amount in ₹)

Particulars	Note No.	Year Ended 31st March 2020	Year Ended 31st March 2019
<b>Income</b>			
<b>Total Income</b>		-	-
<b>Expenses</b>			
Other expenses	8	20,980	24,400
<b>Total expenses</b>		<b>20,980</b>	<b>24,400</b>
<b>Profit/(loss) before tax</b>		<b>(20,980)</b>	<b>(24,400)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
<b>Total tax expenses</b>		-	-
<b>Profit/(Loss) for the year</b>		<b>(20,980)</b>	<b>(24,400)</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the Year (Net of tax)</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(20,980)</b>	<b>(24,400)</b>
Earnings per equity share( on nominal Value of ₹ 10/- per Share)			
(1) Basic	9	(0.02)	(0.02)
(2) Diluted		(0.02)	(0.02)

**Significant Accounting Policies** 1 & 2

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**(V.L.BAJAJ) PARTNER**

M.NO :104982

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN No :00035843

sd/-

Navneet Kumar Saraf

**DIRECTOR**

DIN No :00035686

PLACE: MUMBAI

DATE : 23rd July 2020

**Technocraft Tabla Formwork Systems Private Limited**

**Cash Flow Statement the year ended 31st March, 2020**

(Amount in ₹)

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax	(20,980)	(24,400)
<b>Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
	(20,980)	(24,400)
<b>Working capital adjustments</b>		
Increase/ (Decrease) in trade and other payables	-	(5,900)
	-	(5,900)
Income Tax paid (Net of Refunds)	-	-
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>(20,980)</b>	<b>(30,300)</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>		
Net Cash Inflow/(Outflow) in the course of Investing Activities (B)	-	-
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :</b>		
Net Cash Inflow/(Outflow) in the course of Financing Activities (C)	-	-
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(20,980)</b>	<b>(30,300)</b>
Cash and cash equivalents at the beginning of the year	184,293	214,593
<b>Cash and cash equivalents at the end of the year</b>	<b>163,313</b>	<b>184,293</b>

**Notes**

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Cash Flow Statements".
- Components of Cash & Cash equivalents**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a) Cash and Cash Equivalents</b>		
In Current Account	163,313	184,293
<b>Total</b>	<b>163,313</b>	<b>184,293</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date  
**For M.L.Sharma & Co**  
 Firm Reg.No.109963W  
 CHARTERED ACCOUNTANTS

**For & On Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
 M.NO :104982

sd/-  
 Sharad Kumar Saraf  
**DIRECTOR**  
 DIN No :00035843

sd/-  
 Navneet Kumar Saraf  
**DIRECTOR**  
 DIN No :00035686

PLACE: MUMBAI  
 DATE : 23rd July 2020

**Statement of Changes in Equity for the year ended 31st March 2020**

(Amount in ₹)

<b>EQUITY SHARE CAPITAL :</b>	<b>Balance as at 1st April, 2018</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March,2019</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March,2020</b>
Paid up Capital (Equity shares of ₹ 10/- each issued , Subscribed & Fully paid up)	10,000,000	-	10,000,000	-	10,000,000

(Amount in ₹)

<b>OTHER EQUITY :</b>			
<b>Particulars</b>	<b>Retained Earnings</b>	<b>Other Comprehensive Income</b>	<b>Total</b>
<b>Balance as at April 1,2018</b>	(7,841,664)	-	(7,841,664)
Profit / ( Loss) for the year	(24,400)	-	(24,400)
Other Comprehensive Income for the Year	-	-	-
<b>Balance as at 31st March,2019</b>	<b>(7,866,064)</b>	-	<b>(7,866,064)</b>
Profit / (Loss) for the year	(20,980)	-	(20,980)
Other Comprehensive Income for the Year	-	-	-
<b>Balance as at 31st March,2020</b>	<b>(7,887,044)</b>	-	<b>(7,887,044)</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date  
**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & On Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
M.NO :104982

sd/-  
Sharad Kumar Saraf  
**DIRECTOR**  
DIN No :00035843

sd/-  
Navneet Kumar Saraf  
**DIRECTOR**  
DIN No :00035686

PLACE: MUMBAI  
DATE : 23rd July 2020



## **Note - 1 Company Overview:**

Technocraft Tabla Formwork Systems Private Limited ("the Company"), was incorporated on 25<sup>th</sup> March 2010, CIN U29300MH2010PTC201272. The company is a Private Limited company incorporated and domiciled in India and is having its registered office at Plot No-47, Opus Centre, 2nd Floor, Opp Tunga Paradise Hotel, MIDC, Andheri (E) Mumbai – 400093 Maharashtra India.

The Company was incorporated to carry on the business of designing, marketing, distributing, manufacturing, assembling, modifying, developing, importing, exporting, letting out and dealing in Tabla Formwork, Scaffolding and Construction equipments and all other types of related Components

**Authorisation of Financial Statements:** The Financial Statements were authorized for issue in accordance with a resolution of the directors on 23<sup>rd</sup> July 2020.

## **Note - 2 Significant Accounting policies:**

### **i. Basis of Preparation and Presentation:**

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### **ii. Use of Estimates and Judgments:**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

### **iii. Fair Value Measurement:**

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

#### **iv. Revenue Recognition**

The Company recognizes revenue when Control over the promised goods is transferred to the customer at an amount that reflects the Consideration to which the Company expects to be entitled in exchange for goods. The Company considers whether there are other promises in the Contract that are separate Performance obligations to which a portion of the transaction price needs to be allocated .

The Company recognizes revenue from the sale of goods net of returns and allowances, trade discounts and Volume rebates. If the revenue cannot be reliably measured, Company defers revenue recognition until the uncertainty is resolved .Such Provisions give rise to variable Consideration and are estimated at Contract inception and updated thereafter.

Revenue from Rendering of services is recognized as & when the Customer receives the benefit of the Company's performance and the company has an enforceable right to payment for services Performed.

#### **v. Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### **a) Current Income Tax**

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

##### **b) Deferred Income Tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

## vi. **Financial Assets**

### a) **Initial recognition and measurement**

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

### b) **Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### i. **Debt instruments at amortised cost**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

#### ii. **Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive Income.

#### iii. **Debt instruments at Fair value through profit or loss (FVTPL)**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

#### iv. **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

**c) De recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**d) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the Business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**vii. Financial Liabilities**

**a) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

**b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of financial liabilities depends on their classification, as described below:

➤ **Financial Liabilities at fair value through profit or loss (FVTPL)**

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

➤ **Financial Liabilities measured at amortised cost**

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

**c) De recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on

substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

**viii. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**ix. Fair value of financial instruments**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

**Fair value hierarchy:**

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**x. Cash & Cash Equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks with an original maturity of three months or less.

**xi. Impairment of Non-Financial 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 CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators

**xii. Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**xiii. 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.

**xiv. Earnings per Share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares

**xv. Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

**xvi. Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**Technocraft Tabla Formwork Systems Private Limited**  
**Notes to the Financial Statements for the year ended 31st March 2020**

(Amount in ₹)

**Note 3 : Deferred Tax Asset**

Particulars	As at 31-Mar-20	As at 31-Mar-19
MAT Credit Entitlements	1,192,822	1,192,822
<b>Total Deferred Tax</b>	<b>1,192,822</b>	<b>1,192,822</b>

**Note - 4 : Financial Assets**

**Note 4 : Cash and cash equivalents**

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Balances with Banks</b>		
- In current account	163,313	184,293
<b>Total Cash and Cash Equivalents</b>	<b>163,313</b>	<b>184,293</b>

**Note 5 : Current Tax Assets (Net)**

Particulars	As at 31-Mar-20	As at 31-Mar-19
Advance Tax	1,955,542	1,955,542
Less : Provision For Taxation	1,192,821	1,192,821
<b>Net Current Tax Asset</b>	<b>762,721</b>	<b>762,721</b>

**Note 6(a) : Equity Share Capital**

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Authorised</b>		
10,00,000 ( P.Y.- 10,00,000) Equity Shares of ₹ 10/- Each	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
10,00,000 (P.Y.- 10,00,000) Shares of ₹ 10/- Each Fully Paid Up	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>

**a). Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

**b). Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :**

Particulars	Equity Shares			
	As on 31st March 2020		As on 31st March 2019	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

**c) Shares held by Holding Company**

Particulars	As on 31st March 2020		As on 31st March 2019	
	Number	₹	Number	₹
Technocraft Industries (India) Limited	649,995	6,499,950	649,995	6,499,950

**Technocraft Tabla Formwork Systems Private Limited**  
**Notes to the Financial Statements for the year ended 31st March 2020**

**d). Details of Shareholders holding more than 5% shares in the company:**

Name of the Shareholder	Equity Shares			
	As on 31st March 2020		As on 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Technocraft Industries (India) Ltd	649,995	65	649,995	65
Gilcheck Management Inc	350,000	35	350,000	35

e) The Company has not issued any equity shares as bonus or for Consideration other than cash and has not bought back any equity shares during the Period of Five years immediately Preceding 31st March 2020.

**Note 6(b) : Other Equity**

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Retained Earnings</b>		
Opening Balance	(7,866,064)	(7,841,664)
Add : Net Profit / (loss) for the year	(20,980)	(24,400)
<b>Closing Balance</b>	<b>(7,887,044)</b>	<b>(7,866,064)</b>

**Note 7 : Other Financial Liabilities**

Particulars	As at 31-Mar-20	As at 31-Mar-19
Liabilities For Expenses	5,900	5,900
<b>Total Other Financial Liabilities</b>	<b>5,900</b>	<b>5,900</b>

**Note 8 : Other expenses**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Legal & Professional Expenses	9,000	12,000
Filing Fees	2,400	4,000
Rent , Rates & Taxes	3,680	2,500
Payment to Auditors - Note 8(a) below	5,900	5,900
<b>Total Other Expenses</b>	<b>20,980</b>	<b>24,400</b>

**Note 8 (a) : - Details of Payment to Auditors**

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	5,900	5,900
<b>Total Payment to Auditors</b>	<b>5,900</b>	<b>5,900</b>

**Note 9 : Earnings per equity share**

In accordance with Indian Accounting Standard 33 - "Earning Per Share" , the computation of earning per share is set out below:

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Net Profit \ (Loss) after tax available for equity shareholders	(20,980)	(24,400)
Weighted Average number of Equity Shares	1,000,000	1,000,000
Basic Earning per share (on Face Value of ₹ 10/- per Share)	(0.02)	(0.02)
Diluted Earning per share (on Face Value of ₹ 10/- per Share)	(0.02)	(0.02)



**Note 10 : Related Party disclosures**

**Related Party Disclosures as per Ind AS-24 are disclosed below**

**A.Name of the related Parties and description of relationship:**

**(i) Related Party where Control exists**

**Holding Company**

1.Technocraft Industries ( India ) Limited

**Fellow Subsidiary Companies**

1.Technocraft International Ltd

2.Technocraft Trading Spolka Z.O.O

3.Technocraft Australia Pty Ltd

4.Technosoft Engineering Projects Ltd

5.Anhui Reliable Steel Technology Co. Ltd

6.Technocraft NZ Limited

7.Techno Defence Pvt. Ltd

8.Shreyan Infra & Power LLP (Upto 26th Nov 2019)

9.Technosoft Engineering Inc.

(Formerly Known as Impact Engineering Solutions Inc.)

10.Swift Projects Inc.(Upto 31st Dec 2019)

11 Technosoft Innovations Inc.

12.Technosoft GMBH

13.AAIT/ Technocraft Scaffold Distribution LLC

14.High Mark International Trading -F.Z.E

15.Technosoft Services Inc.

16. 2045690 Alberta Ltd (Step Engineering Inc ). (Upto 31st Dec 2019)

17.Technosoft Engineering UK Ltd

18.Benten Technologies LLP ( w.e.f 6th June 2019)

19.Shivale Infraproducts Private Limited (w.e.f 28th Nov 2019)

**Note-**

1.No related party transactions were carried out during the Current as well as Previous Year

2.No Amount was receivable / Payable to related Parties as at 31st March 2020 & 31st March 2019

**Note 11 : Fair Value Measurements****Financial instruments by category and hierarchy :**

The Fair Value of the Financial Assets & Liabilities are stated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and Cash Equivalents & other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments

(Amount in ₹)

Particulars	Carrying Value		Fair value			
	31-Mar-20	31-Mar-19	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Trade Receivables	-	-	-	-	-	-
Cash and Cash Equivalents	163,313	184,293	-	-	-	-
Other Financial Assets						
- Security Deposit	-	-	-	-	-	-
- Other	-	-	-	-	-	-
<b>Total Assets</b>	<b>163,313</b>	<b>184,293</b>	-	-	-	-
<b>Financial Liabilities</b>						
<b>Amortised Cost</b>						
Other Financial Liabilities						
- Liabilities for Expenses	5,900	5,900	-	-	-	-
<b>Total Liabilities</b>	<b>5,900</b>	<b>5,900</b>	-	-	-	-

**Financial Risk Management****a) Credit Risk**

The Company does not foresee any credit risk as entire cash is held in Bank Account with good credit rating Banks

**b) Liquidity Risk**

Company has no borrowings thus the Company does not foresee any liquidity risk.

**c) Market Risk**

Company has no foreign currency exposure and does not have hedge position in currency market, thus the Company does foresee any market risk.

**Note 12: Capital Management****a) Risk Management :**

The Company has no debts thus the Company do not foresee any capital risk.

**b) Dividend**

The Company has not paid dividend thus the company has no dividend liability to be paid.

### **Note 13 : Accompanying Notes to Accounts**

#### **a) Provision for retirement benefits**

No provision for retirement benefits is made as required by Ind AS 19, since the company does not have any employees during the period

#### **b) Segment Reporting**

The Company has not earned any Income from any source. Since there is no reportable segment, the requirements of Ind AS -108 "Operating Segments" are not applicable to the Company.

c) The Company has incurred losses during the year and accordingly has no current tax as per local tax regulations

d) The Company has re-grouped, reclassified and/or re-arranged previous year's figures, wherever necessary to conform to current year's classification.

e) As at 31st March 2020, the Company had no Contingent Liabilities in respect of which there could be probable outflow of Resources

f) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') as at the year ended 31<sup>st</sup> March 2020.

g) Note 1 to 13 Forms an integral Part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & On Behalf of Board of Directors**

sd/-

**(V.L.BAJAJ) PARTNER**

M.NO :104982

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN No :00035843

sd/-

Navneet Kumar Saraf

**DIRECTOR**

DIN No :00035799

PLACE: MUMBAI

DATE : 23rd July 2020

TECHNO DEFENCE PRIVATE  
LIMITED,  
INDIA

## INDEPENDENT AUDITOR'S REPORT

To the members of **TECHNO DEFENCE PRIVATE LIMITED**

### **Report on the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **TECHNO DEFENCE PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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 standalone Ind AS 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 31<sup>st</sup> March, 2020, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SA's), 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 standalone Ind AS financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

#### **Other Information**

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

Our opinion on the 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 standalone Ind AS 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.

### **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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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 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 purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the current year.
- (g) 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**.
- (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 in our opinion and to the best of our information and according to the explanations given to us:
- a. The company did not have pending litigations which will impact its financial position.
  - b. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There is no amount to be transferred to the Investor Education Undertaking Protection Fund by the Undertaking.

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**sd/-**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABO5065**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**



## **ANNEXURE “A” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNO DEFENCE PRIVATE LIMITED on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020, We report that:**

1. The Company does not own any fixed assets during the financial year under review. Therefore, comments regarding maintenance of proper records, Physical verification of Fixed Assets by the management and title of the immovable Properties are not required and accordingly the provisions of clause 3 (i) (a) to (c) of the order are not applicable to the Company.
2. There were no stock of goods during the financial year with the Company; hence, comments on its physical verification and Material discrepancies is not required and accordingly the provisions of clause 3 (ii) of the order, is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause 3 (iii), (iii) (a), (iii) (b) & (iii) (c) of the order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Act.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. The Central Government of India has not prescribed the Maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the Services rendered by the Company and accordingly Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company..
- 7 a According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing provident fund dues, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31<sup>st</sup> March, 2020 for a period exceeding six months from the date they became payable;
- 7 b According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Service Tax and Cess etc.
8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current year and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.

10. According to the information and explanations given to us by the management, which has been relied upon by us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act, 2013.
12. 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.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Ind AS "24", Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors. Accordingly, the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the order is not applicable to the Company.

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**sd/-**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABO5065**

**Place of Signature: Mumbai  
Date:23<sup>rd</sup> July, 2020**

## **ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of TECHNO DEFENCE PRIVATE LIMITED for the year ended 31<sup>st</sup> March, 2020. We report that:**

### **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 **TECHNO DEFENCE PRIVATE LIMITED**, (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone IND AS 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 controls system over financial reporting.

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

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

### **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, 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 M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

**sd/-  
(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABO5065**

**Techno Defence Private Limited**  
(CIN - U74999MH2016PTC287143)  
**Balance Sheet as at 31st March, 2020**

(Amount in ₹)

Particulars	Note No.	As at 31-Mar-20	As at 31-Mar-19
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Deferred tax asset	3	-	884
<b>Total Non - Current Assets</b>		<b>-</b>	<b>884</b>
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	22,170	46,950
<b>Total Current Assets</b>		<b>22,170</b>	<b>46,950</b>
<b>Total Assets</b>		<b>22,170</b>	<b>47,834</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	5(a)	100,000	100,000
Other Equity	5(b)	(83,730)	(59,066)
<b>Total Equity</b>		<b>16,270</b>	<b>40,934</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Other payables	6	5,900	6,900
<b>Total Current Liabilities</b>		<b>5,900</b>	<b>6,900</b>
<b>Total Equity and Liabilities</b>		<b>22,170</b>	<b>47,834</b>
<b>Significant Accounting Policies</b>	1 & 2		

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date  
**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
M.NO :104982

sd/-  
**Sharad Kumar Saraf**  
DIRECTOR  
DIN :00035843

sd/-  
**Sudarshan Kumar Saraf**  
DIRECTOR  
DIN :00035799

PLACE: MUMBAI  
DATE : 23rd July 2020

**Techno Defence Private Limited**

**Statement of Profit and Loss for the year ended 31st March, 2020**

(Amount in ₹)

Particulars	Note No.	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Revenue from Operations		-	-
<b>Total Income</b>		<b>-</b>	<b>-</b>
<b>Expenses</b>			
Other expenses	7	23,780	31,900
<b>Total expenses</b>		<b>23,780</b>	<b>31,900</b>
<b>Profit/(loss) before tax</b>		<b>(23,780)</b>	<b>(31,900)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		884	429
<b>Total tax expenses</b>		<b>884</b>	<b>429</b>
<b>Profit /(Loss) for the year</b>		<b>(24,664)</b>	<b>(32,329)</b>
<b>Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>B (i) Items that will be reclassified to profit or loss</b>		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year (Net of tax)</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>(24,664)</b>	<b>(32,329)</b>
<b>Earnings per equity share ( nominal value of ₹ 10/- each)</b>	8		
1) Basic		(2.47)	(3.23)
2) Diluted		(2.47)	(3.23)
<b>Significant Accounting Policies</b>	1 & 2		

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ ) PARTNER**  
M.NO :104982

sd/-  
**Sharad Kumar Saraf**      **Sudarshan Kumar Saraf**  
DIRECTOR                      DIRECTOR  
DIN :00035843                DIN :00035799

PLACE: MUMBAI  
DATE : 23rd July 2020

**Techno Defence Private Limited**

**Cash Flow Statement for the year ended 31st March, 2020**

(Amount in ₹)

Particulars	Year ended 31-Mar-2020	Year ended 31-Mar-2019
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax from continuing operations	(23,780)	(31,900)
<b>Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities</b>	-	-
<b>Operating Profit before Working Capital Changes</b>	(23,780)	(31,900)
<b>Working capital adjustments</b>		
Increase/ (Decrease) in trade and other payables	(1,000)	1,000
<b>Cash Generated from / (used) in operations</b>	(24,780)	(30,900)
Income Tax paid (net of Refunds)	-	-
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	(24,780)	(30,900)
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>		
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	-	-
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :</b>		
<b>Net Cash Inflow/(Outflow) in the course of Financing Activities (C)</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	(24,780)	(30,900)
Cash and cash equivalents at the beginning of the Year	46,950	77,850
<b>Cash and cash equivalents at the end of the Year</b>	<b>22,170</b>	<b>46,950</b>

**Notes**

1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

**2) Components of Cash & Cash equivalents**

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a) Cash and Cash Equivalents</b>		
In Current Account	22,170	46,950
<b>Total</b>	<b>22,170</b>	<b>46,950</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date  
**For M.L.Sharma & Co**  
 Firm Reg.No.109963W  
 CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ ) PARTNER**  
 M.NO :104982

sd/-  
**Sharad Kumar Saraf**  
 DIRECTOR  
 DIN :00035843

sd/-  
**Sudarshan Kumar Saraf**  
 DIRECTOR  
 DIN :00035799

PLACE: MUMBAI  
 DATE : 23rd July 2020

**Techno Defence Private Limited**

**Statement of Changes in Equity for the year ended 31st March 2020**

(Amount in ₹)

<b>EQUITY SHARE CAPITAL :</b>	<b>Balance as at 1st April 2018</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March,2019</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March,2020</b>
Paid up Capital (Equity Shares of ₹ 10/- each issued , Subscribed & Fully Paid	100,000	-	100,000	-	100,000

(Amount in ₹)

<b>OTHER EQUITY :</b>			
<b>Particulars</b>	<b>Retained Earnings</b>	<b>Other Comprehensive Income</b>	<b>Total</b>
<b>Balance as at 1st April 2018</b>	(26,737)	-	(26,737)
Profit / ( Loss) for the year	(32,329)	-	(32,329)
Other Comprehensive Income for the year	-	-	-
<b>Balance as at 31st March,2019</b>	<b>(59,066)</b>	-	<b>(59,066)</b>
Profit / ( Loss) for the year	(24,664)	-	(24,664)
Other Comprehensive Income for the year	-	-	-
<b>Balance as at 31st March,2020</b>	<b>(83,730)</b>	-	<b>(83,730)</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**(V.L.BAJAJ) PARTNER**

M.NO :104982

PLACE: MUMBAI

DATE : 23rd July 2020

sd/-

**Sharad Kumar Saraf**

DIRECTOR

DIN :00035843

sd/-

**Sudarshan Kumar Saraf**

DIRECTOR

DIN :00035799



## Note-1 Company Overview

Techno Defence Private Limited (“the Company”), was incorporated on 25<sup>th</sup> October 2016, CIN U74999MH2016PTC287143. The company is a Private Limited company incorporated and domiciled in India and is having its registered office at Plot No-47, Opus Centre, 2<sup>nd</sup> floor, Opp Tunga Paradise Hotel, MIDC, Andheri (E) Mumbai – 400093 Maharashtra India.

The Company is incorporated to carry on the business of manufacturing & repairing of all Kinds of article launchers, trailers, defence trailers, self –propelled Vehicles, laser ordinance disposal systems, directed energy systems, laser equipment’s etc.

**Authorisation of Financial Statements:** The Financial Statements were authorized for issue in accordance with a resolution of the directors on 23<sup>rd</sup> July 2020.

## Note-2 Significant accounting policies:

### i) Basis of Preparation and Presentation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### ii) Use of Estimates and Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

### iii) Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities

#### **iv) Revenue Recognition**

The Company recognizes revenue when Control over the promised goods is transferred to the customer at an amount that reflects the Consideration to which the Company expects to be entitled in exchange for goods. The Company considers whether there are other promises in the Contract that are separate Performance obligations to which a portion of the transaction price needs to be allocated .

The Company recognizes revenue from the sale of goods net of returns and allowances, trade discounts and Volume rebates. If the revenue cannot be reliably measured, Company defers revenue recognition until the uncertainty is resolved .Such Provisions give rise to variable Consideration and are estimated at Contract inception and updated thereafter.

Revenue from Rendering of services is recognized as & when the Customer receives the benefit of the Company's performance and the company has an enforceable right to payment for services Performed.

#### **v) Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### **a) Current Income Tax**

Current income taxes for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

##### **b) Deferred Income Tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

#### **vi) Financial Assets**

##### **a) Initial recognition and measurement**

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

## **b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

### **(i) Debt instruments at amortised cost**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

### **(ii) Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive Income.

### **(iii) Debt instruments at Fair value through profit or loss (FVTPL)**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

### **(iv) Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

## **c) De recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

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

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**d) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the Business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**vii) Financial Liabilities**

**a) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

**b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of financial liabilities depends on their classification, as described below:

➤ **Financial Liabilities at fair value through profit or loss (FVTPL)**

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

➤ **Financial Liabilities measured at amortised cost**

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

**c) De recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

**viii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## ix) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

### **Fair value hierarchy:**

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## x) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks with an original maturity of three months or less.

## xi) Impairment of Non-Financial 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 assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators

## xii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**xiii) 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.

**xiv) Earnings per Share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares

**xv) Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

**xvi) Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**Techno Defence Private Limited**

**Notes to the Financial Statements for the year ended 31st March, 2020**

(Amount in ₹)

**Note 3 : Deferred tax asset**

The balance comprises temporary differences attributable to :

Particulars	As at 31-Mar-20	As at 31-Mar-19
Preliminary Expense for tax purpose	-	884
<b>Total Deferred Tax Assets</b>	<b>-</b>	<b>884</b>
Set - off of deferred tax liabilities pursuant to set - off provisions	-	-
<b>Net Deferred Tax Assets</b>	<b>-</b>	<b>884</b>

**Movement in Deferred Tax Assets**

Particulars	Net balance as at 1st April 2019	Credit/(Charge) in profit or loss	Credit/(Charge) in OCI	Net balance as at 31/03/2020
<b>Deferred tax (Asset)/Liabilities</b>				
Preliminary Expenses	884	(884)	-	-
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<b>884</b>	<b>(884)</b>	<b>-</b>	<b>-</b>

Particulars	Net balance as at 1st April 2018	Credit/(Charge) in profit or loss	Credit/(Charge) in OCI	Net balance as at 31/03/2019
<b>Deferred tax (Asset)/Liabilities</b>				
Preliminary Expenses	1,313	(429)	-	884
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<b>1,313</b>	<b>(429)</b>	<b>-</b>	<b>884</b>

**Note 4 : Cash and cash equivalents**

Particulars	As at 31-Mar-20	As at 31-Mar-19
Balances with Banks		
- In current accounts	22,170	46,950
<b>Total Cash and Cash Equivalents</b>	<b>22,170</b>	<b>46,950</b>

**Equity**

**Note 5(a) : Equity Share Capital**

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Authorised</b>		
10,000 ( P.Y.10,000) Equity Shares of ₹ 10/- Each	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>		
10,000 ( P.Y.10,000) Equity Shares of ₹ 10/- Each	100,000	100,000
	<b>100,000</b>	<b>100,000</b>

**a). Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity share is entitled to one vote per share.

**b). Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :**

Particulars	Equity Shares		Equity Shares	
	As on 31st March 2020		As on 31st March 2019	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares Issued during the year	-	-	-	-
Shares Bought during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

**Techno Defence Private Limited**

**Notes to the Financial Statements for the year ended 31st March, 2020**

**c) Shares held by Holding Company**

Particulars	As on 31st March 2020		As on 31st March 2019	
	Number	₹	Number	₹
Technocraft Industries (India) Ltd	7,000	70,000	7,000	70,000

**d). Details of Shareholders holding more than 5% equity shares in the company:**

Name of the Shareholder	As on 31st March 2020		As on 31st March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Technocraft Industries (India) Ltd	7,000	70	7,000	70
Mr. Pravin Salinkar	3,000	30	3,000	30

**Note 5(b) : Other Equity**

Particulars	As at 31-Mar-20	As at 31-Mar-19
<b>Retained Earnings</b>		
Opening Balance	(59,066)	(26,737)
Add / (Less) : Total Comprehensive Income / (loss) for the year	(24,664)	(32,329)
<b>Closing Balance</b>	<b>(83,730)</b>	<b>(59,066)</b>

**Note 6 : Other payables**

Particulars	As at 31-Mar-20	As at 31-Mar-19
Liabilities For Expenses	5,900	6,900
<b>Total Other Financial Liabilities</b>	<b>5,900</b>	<b>6,900</b>

**Note 7 : Other expenses**

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
Legal & Professional Exps	13,000	22,000
Payment to Auditors - Note 7(a) below	5,900	5,900
Rent, Rates & Taxes	4,880	4,000
<b>Total Other expenses</b>	<b>23,780</b>	<b>31,900</b>

**Note 7 (a) : - Details of Payment to Auditors**

Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	5,900	5,900
<b>Total Payment to Auditors</b>	<b>5,900</b>	<b>5,900</b>

**Note 8 : Earnings per equity share ( nominal value of ₹ 10/- each)**

In accordance with Indian Accounting Standard 33 - "Earning Per Share" , the computation of earning per share is set out below:

Sr No	Particulars	Year Ended 31-Mar-20	Year Ended 31-Mar-19
i)	Net Profit \ (Loss) for the year	(24,664)	(32,329)
ii)	Weighted Average No of Equity Shares Outstanding	10,000	10,000
iii)	Basic Earning per share	(2.47)	(3.23)
iv)	Diluted Earning per share	(2.47)	(3.23)



## **Note 9 : Related Party disclosures**

### **Related Party Disclosures as per Ind AS-24 are disclosed below**

#### **A.Name of the related Parties and description of relationship:**

##### **(i) Related Party where Control exists**

##### **Holding Company**

1.Technocraft Industries ( India ) Limited

##### **Fellow Subsidiary Companies**

1.Technocraft International Ltd

2.Technocraft Trading Spolka Z.O.O

3.Technocraft Australia Pty Ltd

4.Technosoft Engineering Projects Ltd

5.Anhui Reliable Steel Technology Co. Ltd

6.Technocraft NZ Limited

7.Technocraft Tabla Formwork Systems Pvt Ltd

8.Shreyan Infra & Power LLP (Upto 26th Nov 2019)

9.Technosoft Engineering Inc.

(Formerly Known as Impact Engineering Solutions Inc.)

10.Swift Projects Inc.(Upto 31st Dec 2019)

11 Technosoft Innovations Inc.

12.Technosoft GMBH

13.AAIT/ Technocraft Scaffold Distribution LLC

14.High Mark International Trading -F.Z.E

15.Technosoft Services Inc.

16.2045690 Alberta Ltd (Step Engineering Inc ). (Upto 31st Dec 2019)

17.Technosoft Engineering UK Ltd

18.Benten Technologies LLP ( w.e.f 6th June 2019)

19.Shivale Infraproducts Private Limited (w.e.f 28th Nov 2019)

##### **Note-**

1.No related party transactions were carried out during the Current as well as Previous Year

2.No Amount was receivable / Payable to related Parties as at 31st March 2020 & 31st March 2019

**Note 10: Fair Value Measurements****Financial instruments by category**

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and Cash Equivalents & other payables approximate their carrying amounts largely due to short term maturities of these instruments

Particulars	(Amount in ₹)	
	Carrying Value 31-Mar-20	Carrying Value 31-Mar-19
<b>Financial Assets</b>		
<b>Amortised Cost</b>		
Cash and Cash Equivalents	22,170	46,950
<b>Total Assets</b>	<b>22,170</b>	<b>46,950</b>
<b>Financial Liabilities</b>		
<b>Amortised Cost</b>		
Other Financial Liabilities		
- Other payables	5,900	6,900
<b>Total Liabilities</b>	<b>5,900</b>	<b>6,900</b>

**Financial Risk Management****a) Credit Risk**

Company has fully maintained cash balance in Bank Current account and thus the Company does not foresee any credit risk.

**b) Liquidity Risk**

Company has no borrowings thus the Company does not foresee any liquidity risk.

**c) Market Risk**

Company has no foreign currency exposure and does not have hedge position in currency market, thus the Company does not foresee any market risk.

**Note 11: Capital Management****a) Risk Management :**

The Company has no debts thus the Company does not foresee any capital risk.

**b) Dividend**

The Company has not paid dividend thus the company has no dividend liability to be paid.

**Note 12 : Accompanying Notes to Accounts**

**a) Provision for retirement benefits**

No provision for retirement benefits is made as required by Ind AS 19, since the company does not have any employees during the year.

**b) Segment Reporting**

The company has not earned any Income from any source .Since there is no reportable segment , the requirements of Ind AS-108 " Operating Segments " are not applicable to the Company

c) The Company has incurred losses during the year and accordingly no current tax provision has been made as per local tax regulations.

d) As at 31 March 2020, the Company had no Contingent Liabilities / Contingent Assets.

e) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') as at the year ended 31<sup>st</sup> March 2020

f) Note 1 to 12 forms an Integral Part of the Financial Statements

**As per our Report of Even Date**

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**(V.L.BAJAJ ) PARTNER**

M.NO :104982

PLACE: MUMBAI

DATE : 23rd July 2020

sd/-

**Sharad Kumar Saraf**

DIRECTOR

DIN :00035843

sd/-

**Sudarshan Kumar Saraf**

DIRECTOR

DIN :00035799

SHIVALE INFRAPRODUCTS  
PRIVATE LIMITED,  
INDIA

# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of SHIVALE INFRAPRODUCTS PRIVATE LIMITED

## Report on the Standalone Financial Statements

### **Opinion**

We have audited the accompanying Standalone IND AS financial statements of **SHIVALE INFRAPRODUCTS PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the Period then 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 standalone Ind AS 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 31<sup>st</sup> March, 2020, its **Loss** including other comprehensive income its cash flows and the changes in equity for the Period ended on that date.

### **Basis of Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SA's), 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 standalone Ind AS financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial Period ended 31<sup>st</sup> March, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Other Information**

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

Our opinion on the 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 standalone Ind AS 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.

### **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 Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial Period ended 31<sup>st</sup> March, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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 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 purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- (c) The Balance Sheet, Statement of Profit and Loss including the statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone IND AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of section 164 (2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the current Period. Hence we have nothing to report in this regard.
- (g) 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**.
- (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 in our opinion and to the best of our information and according to the explanations given to us:
- i. The company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

**sd/-  
(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABP1923**



## ANNEXURE "A" TO THE INDEPENDENT AUDITORS REPORT

**The Annexure referred to in our Report of even date to the Members of SHIVALE INFRAPRODUCTS PRIVATE LIMITED on the Standalone Financial Statements for the Period ended 31<sup>st</sup> March, 2020, We report that:**

1. The Company does not own any fixed assets during the financial Period under review. Therefore, comments regarding maintenance of proper records, Physical verification of Fixed Assets by the management and title of the immovable Properties are not required and accordingly the provisions of clause 3 (i) (a) to (c) of the order are not applicable to the Company.
2. There was no stock of goods during the financial Period with the Company; hence, comments on its physical verification and Material discrepancies is not required and accordingly the provisions of clause 3 (ii) of the order, is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured to the Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the companies Act, 2013 and Accordingly, provision of clause 3 (iii), (iii) (a), (iii) (b) & (iii) (c) of the order, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 of the Act.
5. The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 and any other relevant provision of the Companies Act, 2013 and the rules framed there under apply.
6. The Central Government of India has not prescribed the Maintenance of cost records under section 148 (1) of the Companies Act, 2013 for any of the Services rendered by the Company and accordingly Maintenance of cost records under section 148 (1) of the Companies Act, 2013 is not applicable to the company.
- 7a. According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing provident fund dues, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and there are no undisputed amounts payable for the same were outstanding as at 31<sup>st</sup> March, 2020 for a period exceeding six months from the date they became payable;
- 7b. According to information and explanations given to us and the books and records examined by us, there are no disputed amounts payables for Income Tax, Service Tax and Cess etc. Goods & Service Tax (GST),
8. According to information and explanations given to us the company has not defaulted in repayment of loans or borrowings to a financial institution or bank and company does not have any outstanding loans or borrowing from Government or dues to debenture holders during the Period.

9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and the Company has not availed any term loans during the current Period and accordingly the provision of clause 3 (ix) of the order is not applicable to the Company.
10. According to the information and explanations given to us by the management, which has been relied upon by us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the Period.
11. In our opinion, and according to the information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the companies Act, 2013.
12. 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.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the companies Act, 2013 where applicable. The details of related party transactions have been disclosed in the financial statements as required under Ind AS "24", Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the and accordingly the provisions of clause 3 (xiv) of the order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any Non-Cash transaction with directors or persons connected with the directors. Accordingly, the provisions of clause 3 (xv) of the order is not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the order is not applicable to the Company.

**For M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**sd/-**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABP1923**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

## **ANNEXURE – “B” TO THE INDEPENDENT AUDITORS REPORT**

**The Annexure referred to in our Report of even date to the Members of SHIVALE INFRAPRODUCTS PRIVATE LIMITED for the Period ended 31<sup>st</sup> March, 2020. We report that:**

### **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 **SHIVALE INFRAPRODUCTS PRIVATE LIMITED**, (“the Company”) as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone IND AS financial statements of the Company for the Period 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 (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 controls system over financial reporting.

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

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

## **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, 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 M. L. Sharma & Co.,  
Firm Reg. No. 109963W  
Chartered Accountants**

**Place of Signature: Mumbai  
Date: 23<sup>rd</sup> July, 2020**

**sd/-  
(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 20104982AAAABP1923**

**Shivale Infraproducts Private Limited**

(CIN - U28994MH2019PTC333761)

**Balance Sheet as at 31st March 2020**

			(Amount in ₹)
Particulars	Note No.	As at 31-Mar-20	
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Deferred tax asset	3	61,116	
<b>Total Non - Current Assets</b>		<b>61,116</b>	
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and cash equivalents	4	263,069	
<b>Total Current Assets</b>		<b>263,069</b>	
<b>Total Assets</b>		<b>324,185</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	5(a)	500,000	
Other Equity	5(b)	(181,715)	
<b>Total Equity</b>		<b>318,285</b>	
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Other payables	6	5,900	
<b>Total Current Liabilities</b>		<b>5,900</b>	
<b>Total Equity and Liabilities</b>		<b>324,185</b>	
<b>Significant Accounting Policies</b>	1 & 2		

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date  
**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
M.NO :104982

sd/-  
Sharad Kumar Saraf  
**DIRECTOR**  
DIN :00035843

sd/-  
Sudarshan Kumar Saraf  
**DIRECTOR**  
DIN :00035799

PLACE: MUMBAI  
DATE : 23rd July 2020

**Shivale Infraproducts Private Limited**

**Statement of Profit and Loss for the period ended 31st March 2020**

(Amount in ₹)

Particulars	Note No.	Period Ended 31-Mar-20
Revenue from Operations		-
<b>Total Income</b>		<b>-</b>
<b>Expenses</b>		
Other expenses	7	242,831
<b>Total expenses</b>		<b>242,831</b>
<b>Profit/(loss) before tax</b>		<b>(242,831)</b>
Tax expense:		
(1) Current tax		-
(2) Deferred tax		(61,116)
<b>Total tax expenses</b>		<b>(61,116)</b>
<b>Profit /(Loss) for the period</b>		<b>(181,715)</b>
<b>Other Comprehensive Income</b>		
<b>A (i) Items that will not be reclassified to profit or loss</b>		
(ii) Income tax relating to items that will not be reclassified to profit or loss		-
<b>B (i) Items that will be reclassified to profit or loss</b>		
(ii) Income tax relating to items that will be reclassified to profit or loss		-
<b>Other Comprehensive Income for the Period (Net of tax)</b>		<b>-</b>
<b>Total Comprehensive Income for the period</b>		<b>(181,715)</b>
<b>Earnings per equity share ( nominal value of ₹ 10/- each)</b>	8	
1) Basic		(3.63)
2) Diluted		(3.63)
<b>Significant Accounting Policies</b>	1 & 2	

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
M.NO :104982

sd/-  
Sharad Kumar Saraf  
**DIRECTOR**  
DIN :00035843

sd/-  
Sudarshan Kumar Saraf  
**DIRECTOR**  
DIN :00035799

PLACE: MUMBAI  
DATE : 23rd July 2020

**Shivale Infraproducts Private Limited**

**Cash Flow Statement for the Period ended 31st March 2020**

(Amount in ₹)

Particulars	Period ended 31-Mar-2020
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>	
Profit before exceptional items & tax from continuing operations	(242,831)
<b>Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities</b>	-
<b>Operating Profit before Working Capital Changes</b>	<b>(242,831)</b>
<b>Working capital adjustments</b>	
Increase/ (Decrease) in trade and other payables	5,900
<b>Cash Generated from / (used) in operations</b>	<b>(236,931)</b>
Income Tax paid (net of Refunds)	-
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>(236,931)</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>	
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	<b>-</b>
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :</b>	
Proceeds from issue of share capital	500,000
<b>Net Cash Inflow/(Outflow) in the course of Financing Activities (C)</b>	<b>500,000</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>263,069</b>
Cash and cash equivalents at the beginning of the Period	-
<b>Cash and cash equivalents at the end of the Period</b>	<b>263,069</b>

**Notes**

1)The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Cash Flow Statements".

**2) Components of Cash & Cash equivalents**

(Amount in ₹)

Particulars	As at 31st March 2020
<b>a) Cash and Cash Equivalents</b>	
In Current Account	263,069
<b>Total</b>	<b>263,069</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**(V.L.BAJAJ) PARTNER**

M.NO :104982

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

PLACE: MUMBAI

DATE : 23rd July 2020

**Shivale Infraproducts Private Limited**

**Statement of Changes in Equity for the Period ended 31st March 2020**

(Amount in ₹)

<b>EQUITY SHARE CAPITAL :</b>	<b>Balance as at 28th November, 2019</b>	<b>Changes in equity share capital during the Period</b>	<b>Balance as at 31st March, 2020</b>
Paid up Capital (Equity Shares of ₹ 10/- each issued , Subscribed & Fully Paid	500,000	-	500,000

(Amount in ₹)

<b>OTHER EQUITY :</b>			
<b>Particulars</b>	<b>Retained Earnings</b>	<b>Other Comprehensive Income</b>	<b>Total</b>
<b>Balance as at 28th November,2019</b>	-	-	-
Profit / ( Loss) for the Period	(181,715)	-	(181,715)
Other Comprehensive Income for the Period	-	-	-
<b>Balance as at 31st March,2020</b>	<b>(181,715)</b>	-	<b>(181,715)</b>

The accompanying notes are an integral part of the Financial Statements

As per our Report of Even Date

**For M.L.Sharma & Co**  
Firm Reg.No.109963W  
CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-  
**(V.L.BAJAJ) PARTNER**  
M.NO :104982

sd/  
Sharad Kumar Saraf  
**DIRECTOR**  
DIN :00035843

sd/-  
Sudarshan Kumar Saraf  
**DIRECTOR**  
DIN :00035799

PLACE: MUMBAI  
DATE : 23rd July 2020



## Note-1 Company Overview

Shivale Infraproducts Private Limited ("the Company"), was incorporated on 28<sup>th</sup> November 2019, CIN. U28994MH2019PTC333761 The company is a Private Limited company incorporated and domiciled in India and is having its registered office at Plot No-47, Opus Centre, 2<sup>nd</sup> floor, Opp Tunga Paradise Hotel, MIDC, Andheri (E) Mumbai – 400093 Maharashtra India.

The Company is incorporated to carry on the business of manufacturing, designing, developing, fabricating, processing, repairing, assembling, buying, selling, importing, exporting, distributing, hiring, letting on hire or otherwise dealing in parts, components used in infrastructure related activities .

**Authorisation of Financial Statements:** The Financial Statements were authorized for issue in accordance with a resolution of the directors on 23<sup>rd</sup> July 2020.

## Note-2 Significant accounting policies:

### i) Basis of Preparation and Presentation:

The Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("Act") read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### ii) Use of Estimates and Judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates 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.

### iii) Fair Value Measurement:

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities

#### **iv) Revenue Recognition**

The Company recognizes revenue when Control over the promised goods is transferred to the customer at an amount that reflects the Consideration to which the Company expects to be entitled in exchange for goods. The Company considers whether there are other promises in the Contract that are separate Performance obligations to which a portion of the transaction price needs to be allocated .

The Company recognizes revenue from the sale of goods net of returns and allowances, trade discounts and Volume rebates. If the revenue cannot be reliably measured, Company defers revenue recognition until the uncertainty is resolved .Such Provisions give rise to variable Consideration and are estimated at Contract inception and updated thereafter.

Revenue from Rendering of services is recognized as & when the Customer receives the benefit of the Company's performance and the company has an enforceable right to payment for services Performed.

#### **v) Income Tax**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

##### **a) Current Income Tax**

Current income taxes for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

##### **b) Deferred Income Tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

#### **vi) Financial Assets**

##### **a) Initial recognition and measurement**

All financial assets (not measured subsequently at fair value through profit or loss) are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

## **b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial assets. The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

### **(i) Debt instruments at amortised cost**

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognised in the Statement of Profit & Loss.

### **(ii) Debt instruments at Fair value through Other Comprehensive Income (FVOCI)**

A 'debt instrument' is measured at the fair value through other comprehensive income if both the following conditions are met:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, these assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in the Statement of Profit & Loss. Other net gains and losses are recognised in other comprehensive Income.

### **(iii) Debt instruments at Fair value through profit or loss (FVTPL)**

Fair value through profit or loss is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

### **(iv) Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

For equity instruments classified as FVOCI, all fair value changes on the instrument, excluding dividends, are recognized in other comprehensive income (OCI).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit & Loss.

### **c) De recognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - The Company has transferred substantially all the risks and rewards of the asset, or
  - The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### **d) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the Business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

## **vii) Financial Liabilities**

### **a) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value net of transaction costs that are attributable to the respective liabilities.

### **b) Subsequent measurement**

Subsequent measurement is determined with reference to the classification of the respective financial liabilities. The measurement of financial liabilities depends on their classification, as described below:

#### ➤ **Financial Liabilities at fair value through profit or loss (FVTPL)**

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in Statement of Profit & Loss.

#### ➤ **Financial Liabilities measured at amortised cost**

After initial recognition, financial liabilities other than those which are classified as fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method ("EIR").

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

### **c) De recognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit & Loss.

## **viii) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## ix) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

### **Fair value hierarchy:**

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## x) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents.

Cash and cash equivalents comprise cash at banks and on hand and demand deposits with banks with an original maturity of three months or less.

## xi) Impairment of Non-Financial 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 CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU 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 fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators

## xii) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**xiii) 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.

**xiv) Earnings per Share**

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares

**xv) Classification of Assets and Liabilities as Current and Non-Current:**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle (determined at 12 months) and other criteria set out in Schedule III of the Act.

**xvi) Cash Flows**

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

**Shivale Infraproducts Private Limited**

**Notes to the Financial Statements for the period ended 31st March 2020**

(Amount in ₹)

**Note 3 : Deferred tax asset**

The balance comprises temporary differences attributable to :

Particulars	As at 31-Mar-20
Preliminary Expense for tax purpose	61,116
<b>Total Deferred Tax Assets</b>	<b>61,116</b>
Set - off of deferred tax liabilities pursuant to set - off provisions	-
<b>Net Deferred Tax Assets</b>	<b>61,116</b>

**Movement in Deferred Tax Assets**

Particulars	Other Items
<b>At 31st March 2020</b>	
(Charged)/Credited :	
To Profit & Loss	61,116
To Other Comprehensive Income	-
<b>At 31 March 2020</b>	<b>61,116</b>

**Note 4 : Cash and cash equivalents**

Particulars	As at 31-Mar-20
Balances with Banks	
- In current accounts	263,069
<b>Total Cash and Cash Equivalents</b>	<b>263,069</b>

**Equity**

**Note 5(a) : Equity Share Capital**

Particulars	As at 31-Mar-20
<b>Authorised</b>	
50,000 ( P.Y.Nil) Equity Shares of ₹ 10/- Each	500,000
	<b>500,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>	
50,000 (P.Y. Nil) Equity Shares of ₹ 10/- Each Fully Paid Up	500,000
	<b>500,000</b>

**a). Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 10 /- per share. Each holder of equity share is entitled to one vote per share.

**Shivale Infraproducts Private Limited**

**Notes to the Financial Statements for the period ended 31st March 2020**

b). Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period :

Particulars	Equity Shares	
	As on 31st March 2020	
	Number	₹
Shares Issued during the year	50,000	500,000
Shares outstanding at the end of the year	50,000	500,000

c). Details of Shareholders holding more than 5% equity shares in the company:

Name of the Shareholder	As on 31st March 2020	
	Number	₹
Technocraft Industries (India) Ltd & its nominees * (Holding Company)	50,000	500,000

\* of the total shares of the Company , one share is held in the name of Mr Sharad Kumar Saraf who is acting as the nominee of Technocraft Industries (India) Limited .

**Note 5(b) : Other Equity**

Particulars	As at 31-Mar-20
<b>Retained Earnings</b>	
Opening Balance	-
Add / (Less) : Total Comprehensive Income for the period	(181,715)
<b>Closing Balance</b>	<b>(181,715)</b>

**Note 6 : Other payables**

Particulars	As at 31-Mar-20
Liabilities For Expenses	5,900
<b>Total Other Financial Liabilites</b>	<b>5,900</b>

**Note 7 : Other expenses**

Particulars	Period Ended 31-Mar-20
Licence & Legal Fees	229,231
Professional Fees	4,000
Rent , Rates & Taxes	2,500
Payment to Auditors - Note 7(a) below	5,900
Filing Fees	1,200
<b>Total Other expenses</b>	<b>242,831</b>



**Shivale Infraproducts Private Limited**

**Notes to the Financial Statements for the period ended 31st March 2020**

**Note 7 (a) : - Details of Payment to Auditors**

Particulars	Period Ended 31-Mar-20
Payment to Auditors	
As Auditor :	
Audit Fee	5,900
<b>Total Payment to Auditors</b>	<b>5,900</b>

**Note 8 : Earnings per equity share ( nominal value of ₹ 10/- each)**

In accordance with Indian Accounting Standard 33 - "Earning Per Share" , the computation of earning per share is set out below:

Sr No	Particulars	Period Ended 31- Mar-20
i)	Weighted average number of Equity Shares of ₹ 10 each	50,000
ii)	Net Profit \ (Loss) after tax available for equity shareholders	(181,715)
iii)	Basic Earning per share (in ₹)	(3.63)
iv)	Diluted Earning per share (in ₹)	(3.63)

## Note 9 : Related Party disclosures

### Related Party Disclosures as per Ind AS-24 are disclosed below

#### A.Name of the related Parties and description of relationship:

##### (i) Related Party where Control exists

##### Holding Company

1.Technocraft Industries ( India ) Limited

##### Fellow Subsidiary Companies

- 1.Technocraft International Ltd
- 2.Technocraft Trading Spolka Z.O.O
- 3.Technocraft Australia Pty Ltd
- 4.Technosoft Engineering Projects Ltd
- 5.Anhui Reliable Steel Technology Co. Ltd
- 6.Technocraft NZ Limited
- 7.Technocraft Tabla Formwork Systems Pvt Ltd
- 8.Shreyan Infra & Power LLP (Upto 26th Nov 2019)
- 9.Technosoft Engineering Inc.  
(Formerly Known as Impact Engineering Solutions Inc.)
- 10.Swift Projects Inc.(Upto 31st Dec 2019)
- 11 Technosoft Innovations Inc.
- 12.Technosoft GMBH
- 13.AAIT/ Technocraft Scaffold Distribution LLC
- 14.High Mark International Trading -F.Z.E
- 15.Technosoft Services Inc.
16. 2045690 Alberta Ltd (Step Engineering Inc ). (Upto 31st Dec 2019)
- 17.Technosoft Engineering UK Ltd
- 18.Benten Technologies LLP ( w.e.f 6th June 2019)
- 19.Techno Defence Private Limited

Amount in ₹

Transcations carried out during the Period	Period ended 31st March 2020
Subscription to Equity Share Capital Technocraft Industries (India) Limited	500,000

#### Note-

- 1.No Amount was receivable / Payable to related Parties as at 31st March 2020

**Note 10: Fair Value Measurements****Financial instruments by category**

The Fair Value of the Financial Assets & Liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Cash and Cash Equivalents & other payables approximate their carrying amounts largely due to short term maturities of these instruments

(Amount in ₹)

Particulars	Carrying Value
	31-Mar-20
<b>Financial Assets</b>	
<b>Amortised Cost</b>	
Cash and Cash Equivalents	263,069
<b>Total Assets</b>	<b>263,069</b>
<b>Financial Liabilities</b>	
<b>Amortised Cost</b>	
Other Financial Liabilities	
- Other payables	5,900
<b>Total Liabilities</b>	<b>5,900</b>

**Financial Risk Management****a) Credit Risk**

Company has fully maintained cash balance in Bank Current account and thus the Company does not foresee any credit risk.

**b) Liquidity Risk**

Company has no borrowings thus the Company does not foresee any liquidity risk.

**c) Market Risk**

Company has no foreign currency exposure and does not have hedge position in currency market, thus the Company does not foresee any market risk.

**Note 11: Capital Management****a) Risk Management :**

The Company has no debts thus the Company does not foresee any capital risk.

**b) Dividend**

The Company has not paid dividend thus the company has no dividend liability to be paid.

## **Note 12 : Accompanying Notes to Accounts**

### **a) Provision for retirement benefits**

No provision for retirement benefits is made as required by Ind AS 19, since the company does not have any employees during the year.

### **b) Segment Reporting**

The company has not earned any Income from any source .Since there is no reportable segment , the requirements of Ind AS-108 " Operating Segments " are not applicable to the Company

c) The Company has incurred losses during the year and accordingly no current tax provision has been made as per local tax regulations.

d) As at 31 March 2020, the Company had no Contingent Liabilities / Contingent Assets.

e) The company is Private Limited Company incorporated on 28th November 2019 .The accounts of the Company relate to the Period from 28th November 2019 to 31st March, 2020. This being first year of operations of the Company, the Figures for previous year have not been given.

f) Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') as at the period ended 31<sup>st</sup> March 2020

g) Note 1 to 12 forms an Integral Part of the Financial Statements

### **As per our Report of Even Date**

**For M.L.Sharma & Co**

Firm Reg.No.109963W

CHARTERED ACCOUNTANTS

**For & on Behalf of Board of Directors**

sd/-

**(V.L.BAJAJ) PARTNER**

M.NO :104982

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

PLACE: MUMBAI

DATE : 23rd July 2020

**BENTEN TECHNOLOGIES LLP,  
INDIA**

**Benten Technologies LLP**  
**LLPIN AAP- 5263**

**Statement of Assets & Liabilities as at 31st March, 2020**

<b>Particulars</b>	<b>Note No</b>	<b>As at 31-Mar-20 AMOUNT (₹)</b>
<b>I. <u>CONTRIBUTION &amp; LIABILITIES</u></b>		
Partner's Funds		
a) Fixed Contribution	1	100,000
b) Current Contribution	2	(8,268)
<b>Total</b>		<b><u>91,732</u></b>
<b>II. <u>ASSETS</u></b>		
Cash & Cash Equivalents	3	91,732
<b>Total</b>		<b><u>91,732</u></b>
Significant Accounting Policies and Notes forming part of Accounts	6	

**For Benten Technologies LLP**

Place: Mumbai  
Date: 23rd July 2020

sd/-  
**Sanjeev Sinha**  
Designated Partner  
DPIN - 03516475

sd/-  
**Sharad Kumar Saraf**  
Designated Partner  
DPIN - 00035843

**Benten Technologies LLP**  
**LLPIN AAP- 5263**

**Statement of Income & Expenditure for the period ended 31st March, 2020**

<b>Particulars</b>	<b>Note No</b>	<b>For the Period ended 3/31/2020 AMOUNT (₹)</b>
<b><u>INCOME</u></b>		
Revenue from operations		-
<b><u>EXPENSES</u></b>		
Interest & Other Finance Charges	4	118
Other Expenses	5	8,150
		<b>8,268</b>
<b>Net Profit/(Loss) before Tax</b>		<b>(8,268)</b>
<b>Less: Provision for Taxes</b>		
a) Current Tax		-
b) Deferred Tax		-
		-
<b>Net Profit/(Loss) after Tax</b>		<b>(8,268)</b>
Significant Accounting Policies and Notes forming part of Accounts	6	

For Benten Technologies LLP

Place: Mumbai  
Date: 23rd July 2020

sd/-  
**Sanjeev Sinha**  
Designated Partner  
DPIN - 03516475

sd/-  
**Sharad Kumar Saraf**  
Designated Partner  
DPIN - 00035843

**Benten Technologies LLP**

LLPIN AAP- 5263

**Notes to the Financial Statements for the period ended 31st March, 2020**

**Note-1**

**Partners Capital Account**

	<b>As at 31-Mar-20 AMOUNT (₹)</b>
<b><u>Technocraft Industries India Limited</u></b>	
Opening Balance	-
Add: Additions During the Period	50,000
Less Withdrawals During the Period	-
<b>Closing Balance (a)</b>	<b>50,000</b>
<b><u>Sanjeev Sinha</u></b>	
Opening Balance	-
Add: Additions During the Period	50,000
Less: Withdrawals During the Period	-
<b>Closing Balance (b)</b>	<b>50,000</b>
<b>Total Partners Capital Account (a+b)</b>	<b>100,000</b>



**Benten Technologies LLP**

**LLPIN AAP- 5263**

**Notes to the Financial Statements for the period ended 31st March, 2020**

**Note-2**

**Partners Current Account**

	<b>As at 31-Mar-20 AMOUNT (₹)</b>
<b><u>Technocraft Industries India Limited</u></b>	
Opening Balance	-
Add: Additions During the Period	-
Add : Share of Profit / (Loss) for the Period	(4,134)
<b>Closing Balance (a)</b>	<b>(4,134)</b>
<b><u>Sanjeev Sinha</u></b>	
Opening Balance	-
Add: Additions During the Period	-
Add : Share of Profit / (Loss) for the Period	(4,134)
<b>Closing Balance (b)</b>	<b>(4,134)</b>
<b>Total Partners Current Account (a+b)</b>	<b>(8,268)</b>

**Benten Technologies LLP**

**LLPIN AAP- 5263**

**Notes to the Financial Statements for the period ended 31st March, 2020**

Particulars	As At 31.03.2020 AMOUNT (₹)
<b>Note "3" :- Cash &amp; Cash Equivalents</b>	
<b>Balances with Scheduled Bank</b>	
In Current Account	91,732
	<b>91,732</b>
 <b>Note "4" :- Finance Charges</b>	
Bank Charges	118
	<b>118</b>
 <b>Note "5" :- Other Expenses</b>	
Licence & Membership fees	500
Professional fees	4,000
Profession Tax	2,500
Filing Fees	1,150
	<b>8,150</b>

**NOTE NO – 6**

**Notes to the Financial Statements for the Period Ended 31<sup>st</sup> March 2020**

**I. SIGNIFICANT ACCOUNTING POLICIES**

**1. BASIS OF ACCOUNTING**

These accounts are prepared on the historical cost basis, in accordance with the Generally Accepted Accounting Principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and on the accounting principles of going concern.

**2. RECOGNITION OF INCOME AND EXPENDITURE**

Income and expenditure are recognized on accrual basis.  
Revenue from Rendering of services is recognized as & when the customer receives the benefit of the Firm Performance and the Firm has an enforceable right to Payment for services Performed.

**3. Fixed Assets:**

The Firm does not own any Fixed Assets during the year.

**4. Investments:**

The Firm does not own any Investments during the year.

**5. FOREIGN EXCHANGE TRANSACTION**

- Transactions denominated in foreign currency are normally accounted for at the exchange rate prevailing at the time of transaction.
- Monetary assets and Liabilities in foreign currency transactions remaining unsettled at the end of the year (other than forward contract transactions) are translated at the year end rates and the corresponding effect is given to the respective account.
- Exchange differences' arising on account of fluctuations in the rate of exchange is recognized in the Statement of Income & Expenditure account.
- Exchange rate difference arising on account of conversion/translation of liabilities for acquisition of Fixed Assets is recognized in the Statement of Income & Expenditure account.

**6. TAXATION**

Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rate and tax laws that have been enacted or substantively enacted by the Date of Statement of Assets & Liabilities. Deferred tax assets are recognized, only to the extent there is a reasonable certainty of its realisation. At each Date of Statement of Assets & Liabilities, the carrying amounts of deferred tax assets are reviewed to reassure realization.

**7. RETIREMENT BENEFITS**

Year End Retirement benefits are not applicable to the Firm.

**8. BORROWING COST**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets up to the date the assets are put to use. Other borrowing costs are charged to the Statement of Income & Expenditure in the year in which they are incurred.

## 9. INTANGIBLE ASSETS

Intangible Assets are recognized by the Firm only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the same can be measured reliably.

Intangible Assets are amortized on a systematic basis over its useful life and the amortization for each period will be recognized as an expense.

## 10. PROVISION

A Provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Date of Statement of Assets & Liabilities. These are reviewed at each Date of Statement of Assets & Liabilities and adjusted to reflect the current best estimates.

## 11. CONTINGENT LIABILITIES

Contingent Liabilities are not provided for in the accounts. These are disclosed by way of Notes to the Accounts.

## II. NOTES TO ACCOUNTS

### 1. DISCLOSURE OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

In compliance with the AS-18 "Related Party Disclosure", which has become mandatory, the required information is as under:-

#### (I) LIST OF RELATED PARTIES

SR.NO	RELATED PARTY
I	KEY MANAGERIAL PERSONNEL
1	Sanjeev Sinha – Being Designated Partner
2	Shard Kumar Saraf (Representing Technocraft Industries (I) Ltd Being Designated Partner)

#### (II) Disclosure of Related Party Transactions

Amount in ₹

Sr. No.	Nature of Relationship / Transactions	Designated Partners
1	Partners' Capital Contribution	1,00,000

#### (III) Amount due to / (from) Related Parties as on 31st March 2020

Amount in ₹

Sr. No.	Nature of Relationship / Transactions	Designated Partners
1	Partners Capital Accounts	1,00,000
2	Partners Current Accounts	(8,268)

2. In compliance with the Accounting Standard–22 “Accounting for Taxes on Income” which has become mandatory, the firm has not created any deferred tax asset / liability for the period ended.
3. **Segment Information**  
As the Firm has only one business segment, disclosure under Accounting Standard 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India is not applicable to the Firm.
4. The Firm has not received any memorandum (as required to be filed by the Suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31<sup>st</sup> March, 2020 as Micro, Small or Medium enterprises. Consequently, the amount paid / payable to these parties during the period ended 31<sup>st</sup> March 2020 is ₹ Nil.
5. Previous year figures have not been given since the Firm was incorporated on 6<sup>th</sup> June 2019 & the Financial Statements are prepared from 6<sup>th</sup> June 2019 to 31<sup>st</sup> March 2020.

Signature to Note 1 To 6 Attached

**For Benten Technologies LLP**

**Sd/-**  
**Sanjeev Sinha**  
**Designated Partner**  
**DPIN–03516474**

**sd/-**  
**Sharad Kumar Saraf**  
**Designated Partner**  
**DPIN–00035843**

Place: Mumbai  
Date: 23<sup>rd</sup> July 2020

TECHNOCRAFT INTERNATIONAL  
LIMITED,  
UK

<b>Technocraft International Limited</b>		
<b>Provisional Statement of Income and Retained Earnings</b>		
<b>Year ended 31 December 2019</b>		
	<b>GBP</b>	<b>GBP</b>
<b>Turnover</b>		(40,29,537)
Purchases	36,16,765	
Direct costs	1,43,853	
<b>Cost of Sales</b>		37,60,618
<b>Gross Profit</b>		(2,68,919)
<b>Administrative expenses</b>		1,70,041
<b>Operating profit</b>		(98,878)
<b>Foreign Exchange (Gains)/Loss</b>		66,067
<b>Interest</b>		
Interest receivable		(118)
Interest payable		26,126
<b>Profit before taxation</b>		(6,804)
<b>Taxation</b>		1,292
<b>Profit for the period</b>		(5,512)
<b>Retained earnings at start of period</b>		(2,85,443)
<b>Retained earning at end of period</b>		(2,90,955)
<b>Profit rounded up ro CT comp</b>		(6,800)

<b>Technocraft International Limited</b>		
<b>Provisional Statement of Financial Position</b>		
<b>31-Dec-19</b>		
	<b>GBP</b>	<b>GBP</b>
<b>Fixed Assets</b>		
Tangible assets		2,84,027
Investments		36,000
		3,20,027
<b>Current assets</b>		
Stocks	8,92,683	
Debtors	28,12,256	
Cash at Bank and in hand	(8,65,261)	
	28,39,678	
<b>Creditors less than one year</b>	(15,17,456)	
<b>Net current assets</b>		13,22,222
<b>Total assets less current liabilities</b>		16,42,249
<b>Creditors more than one year</b>		
<b>Provisions</b>		
Taxation		(1,292)
		16,40,957
<b>Capital and reserves</b>		
Called up share capital		(13,50,002)
Profit and loss account		(2,90,955)
		(16,40,957)
		(16,40,957)



TECHNOCRAFT TRADING  
SPOLKA ZOO,  
POLAND

ASSETS			
No.	ITEM	31.12.2018r.	31.12.2019r.
<b>A</b>	<b>Fixed Assets</b>	<b>12,36,410.55</b>	<b>14,11,081.80</b>
<b>I</b>	<b>Intangible assets</b>	<b>811.39</b>	<b>0.00</b>
1	R&D expenses		
2	Goodwill		
3	Other intangible assets	811.39	0.00
4	Advances for intangible assets		
<b>II</b>	<b>Tangible fixed assets</b>	<b>10,57,900.88</b>	<b>9,93,083.12</b>
<b>I</b>	<b>Tangible fixed assets in use</b>	<b>10,57,900.88</b>	<b>9,93,083.12</b>
a)	land (including right to perpetual usufruct)	9,03,929.34	9,03,929.34
b)	buildings, premises, civil and water engineering structures	1,52,375.92	87,764.68
c)	technical equipment and machines	0.00	0.00
d)	vehicles	0.00	0.00
e)	other tangible fixed assets	1,595.62	1,389.10
2	Tangible fixed assets under construction	0.00	0.00
3	Advances for tangible fixed assets under construction		
<b>III</b>	<b>Long-term receivables</b>	<b>0.00</b>	<b>3,00,000.00</b>
1	From related parties		
2	From other entities		3,00,000.00
<b>IV</b>	<b>Long-term investments</b>	<b>0.00</b>	<b>0.00</b>
1	Real property		
2	Intangible assets		
3	Long-term financial assets	0.00	0.00
a)	in related parties	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		
b)	in other entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other long-term financial assets		
4	Other long-term investments		
<b>V</b>	<b>Long-term prepayments</b>	<b>1,77,698.28</b>	<b>1,17,998.68</b>
1	Deferred tax assets	1,77,698.28	1,17,998.68
2	Other prepayments		
<b>B</b>	<b>CURRENT ASSETS</b>	<b>1,18,45,377.91</b>	<b>1,54,28,189.11</b>
<b>I</b>	<b>Inventory</b>	<b>45,58,308.54</b>	<b>48,76,794.66</b>
1	Materials		
2	Semi-finished products and work in progress		
3	Finished products		
4	Goods	45,58,308.54	48,76,794.66
5	Advances for deliveries		
<b>II</b>	<b>Short-term receivables</b>	<b>45,11,643.70</b>	<b>59,85,574.69</b>
1	Receivables from related parties	2,24,778.20	2,26,228.55
a)	trade receivables, maturing:	2,24,778.20	2,26,228.55
	- up to 12 months	2,24,778.20	2,26,228.55
	- above 12 months		
b)	other		
2	Receivables from other entities	42,86,865.50	57,59,346.14
a)	trade receivables, maturing:	42,65,815.74	51,35,811.59
	- up to 12 months	42,65,815.74	51,35,811.59
	- above 12 months		
b)	receivables from tax, subsidy, customs, social security and other benefits	0.00	6,00,643.32
c)	other	21,049.76	22,891.23
d)	claimed at court		
<b>III</b>	<b>Short-term investments</b>	<b>26,86,207.90</b>	<b>44,63,794.93</b>
1	Short-term financial assets	26,86,207.90	44,63,794.93
a)	in related parties	0.00	0.00
	- shares		
	- other securities		
	- loans granted	0.00	
	- other short-term financial assets		
b)	in other entities	0.00	0.00
	- shares		
	- other securities		
	- loans granted		
	- other short-term financial assets		
c)	cash and other pecuniary assets	26,86,207.90	44,63,794.93
	- cash in hand and at bank	26,86,207.90	44,63,794.93
	- other cash		
	- other pecuniary assets		
2	Other short-term investments		
<b>IV</b>	<b>Short-term prepayments</b>	<b>89,217.77</b>	<b>1,02,024.83</b>
	<b>TOTAL ASSETS</b>	<b>1,30,81,788.46</b>	<b>1,68,39,270.91</b>

LIABILITIES			
No.	ITEM	31.12.2018r.	31.12.2019r.
<b>A</b>	<b>EQUITY</b>	<b>30,26,481.46</b>	<b>28,85,450.42</b>
I	Share capital	22,50,000.00	22,50,000.00
II	Supplementary capital	8,13,815.12	8,13,815.12
III	Own shares (negative value)		
IV	Other capital		
V	Revaluation reserve		
VI	Other reserve capitals		
VII	Previous years' profit (loss)	0.00	(37,333.66)
VIII	Net profit (loss)	(37,333.66)	(1,41,031.04)
IX	Write-off on net profit during the financial year (negative value)		
<b>B</b>	<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>1,00,55,307.00</b>	<b>1,39,53,820.49</b>
<b>I</b>	<b>Provisions for liabilities</b>	<b>0.00</b>	<b>0.00</b>
1	Provision for deferred income tax		
2	Provision for retirement and similar benefits	0.00	0.00
	- long-term		
	- short-term		
3	Other provisions	0.00	0.00
	- long-term		
	- short-term	0.00	0.00
<b>II</b>	<b>Long-term liabilities</b>	<b>0.00</b>	<b>0.00</b>
1	To related parties	0.00	0.00
2	To other entities	0.00	0.00
	credits and loans		
	arising from issuance of debt securities		
	other financial liabilities		
	other		
<b>III</b>	<b>Short-term liabilities</b>	<b>1,00,55,307.00</b>	<b>1,39,53,820.49</b>
1	To related parties	50,11,994.18	90,16,143.21
	trade liabilities, maturing:	50,11,994.18	90,16,143.21
	- up to 12 months	49,75,357.27	90,16,143.21
	- above 12 months	36,636.91	
	b). Other		
2	To other entities	50,43,312.82	49,37,677.28
	credits and loans	48,23,421.40	47,91,726.87
	arising from issuance of debt securities		
	other financial liabilities		
	trade liabilities, maturing:	1,41,488.31	58,105.54
	- up to 12 months	1,41,488.31	58,105.54
	- above 12 months		
	received advances for deliveries	0.00	62,245.00
	bill-of-exchange liabilities		
	tax, customs, insurance and other liabilities	78,403.11	
	payroll liabilities		
	other		25,599.87
3	Special funds		
<b>IV</b>	<b>Accruals</b>	<b>0.00</b>	<b>0.00</b>
1	Negative goodwill		
2	Other accruals	0.00	0.00
	- long term		
	- short term		
	<b>TOTAL LIABILITIES</b>	<b>1,30,81,788.46</b>	<b>1,68,39,270.91</b>

**Technocraft Trading Sp. z o.o.**  
**P & L Account Comparative**

**Amount in PLN**

Lp.	PERIOD:	01.01.2018-31.12.2018	01.01.2019-31.12.2019
<b>A</b>	<b>Net receipts from sales of products and equivalent to them</b>	<b>1,77,20,958.50</b>	<b>1,56,91,440.73</b>
	<i>including: from associated units</i>	2,24,778.20	2,26,228.55
I	Net receipts from sales of products		
II	Change in the condition of the products (increase – in value, decrease – negative value)		
III	Cost of producing goods for own needs of the unit		
IV	Net receipts from sale of goods and materials	1,74,96,180.30	1,54,65,212.18
<b>B</b>	<b>Costs of sales of products, goods and materials</b>	<b>1,70,36,896.12</b>	<b>1,57,15,658.66</b>
I	Depreciation	68,062.68	71,962.28
II	Consumption of materials and energy	36,149.69	55,946.67
III	Foreign services	5,94,424.28	5,50,023.82
IV	Taxes and fees including - excise duty	1,04,631.81	97,114.94
V	Wages	7,51,032.38	7,31,507.79
VI	Social insurance and other disbursements	1,15,251.49	1,24,118.41
VII	Remaining generic costs	90,806.14	94,197.13
VIII	Value of sold goods and materials	1,52,76,537.65	1,39,90,787.62
<b>C</b>	<b>Profit (loss) from sales (A – B)</b>	<b>6,84,062.38</b>	<b>(24,217.93)</b>
<b>D</b>	<b>Other operating receipts</b>	<b>2,281.13</b>	<b>60,215.89</b>
I	Profit from sales of non-financial fixed assets		
II	Subsidies		
III	Other operating receipts	2,281.13	60,215.89
<b>E</b>	<b>Other operating costs</b>	<b>5,540.72</b>	<b>5,421.26</b>
I	Loss from sales of non-financial fixed assets		
II	Update of value of non-financial assets		
III	Other operating costs	5,540.72	5,421.26
<b>F</b>	<b>Profit (loss) from operating activities (C + D – E)</b>	<b>6,80,802.79</b>	<b>30,576.70</b>
<b>G</b>	<b>Financial receipts</b>	<b>12,333.56</b>	<b>28,284.42</b>
I	<i>Dividends and share in profit, including:</i>		
	<i>including: from associated units</i>		
II	Interests	7,721.46	28,284.42
	<i>including: from associated units</i>		
III	Profit from sale of investment		
IV	Current investment value		
V	Other (positive differences)	4,612.10	0.00
<b>H</b>	<b>Financial costs</b>	<b>7,16,972.09</b>	<b>1,21,987.56</b>
I	Interests	68,170.49	72,893.40
	<i>including: from associated units</i>		
II	Loss from sales of investments		
III	Update of value of investments		
IV	Other (NEGATIVE DIFFERENCES)	6,48,801.60	49,094.16
<b>I</b>	<b>Profit (loss) includ. economic activity (F + G – H)</b>	<b>(23,835.74)</b>	<b>(63,126.44)</b>
<b>J</b>	<b>Result of extraordinary events (J.I. – J.II)</b>	<b>0.00</b>	<b>0.00</b>
I	Extraordinary profits		
II	Extraordinary losses		
<b>K</b>	<b>Gross profit (loss) (I ± J)</b>	<b>(23,835.74)</b>	<b>(63,126.44)</b>
<b>L</b>	<b>Income tax paid previously</b>	<b>1,28,590.00</b>	<b>18,205.00</b>
<b>M</b>	<b>Other compulsory deductions from profit (increase on loss)</b>	<b>(1,15,092.08)</b>	<b>59,699.60</b>
<b>N</b>	<b>Profit</b>	<b>(37,333.66)</b>	<b>(1,41,031.04)</b>

TECHNOCRAFT AUSTRALIA PTY.  
LTD,  
AUSTRALIA

**TECHNOCRAFT AUSTRALIA PTY LTD**

**A.B.N. 89 119 021 975**

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**FINANCIAL STATEMENTS – 31 March 2020**

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# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

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## DIRECTOR'S REPORT - 31 March 2020

Your directors present this report on the financial accounts of the company for the financial year ended 31<sup>st</sup> March 2020.

The following persons hold office as director at the date of this report:-

Mr Navneet Sharaf, Director  
Mr Ashok Amin, Director & Secretary

### OPERATING RESULTS

The company made an operating (Loss) for the year of (\$456,237.61), after deducting income tax expenses of Nil. (2019 profit \$45,547.07 after income tax expense of \$17,878.89)

### ACTIVITIES

The principal activity of the company during the financial year consisted of importing and sale of scaffoldings, pipe, etc.

There were no significant changes in the nature of these activities during the year.

### AUDITORS

Your directors recommend that no auditor be appointed at the forthcoming annual general meeting, because in their opinion, it is not necessary to have the company's accounts audited.

### DIVIDENDS

No dividend was paid or declared since the start of the financial year.

### OPTIONS

No options to shares in the company have been granted during the financial year and there were no options outstanding at the end of the financial year.

### INDEMNITIES

The company has not, during or since the financial year, in respect of any person who is or has been an officer of the company

- \* indemnified or made the relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings, or
- \* paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

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DIRECTOR'S REPORT - 31 March 2020

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the company has received or become entitled to received a benefit (other than fixed salary as a full time employee) by reason of a contract made by the company with the director, a firm of which he is a member, or an entity in which he has a substantial financial interest.

Signed at **PADSTOW** this 27<sup>th</sup> day of April 2020  
in accordance with the resolution of the directors.



.....  
DIRECTOR



**TECHNOCRAFT AUSTRALIA PTY LTD**

**A.B.N. 89 119 021 975**

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ACCOUNTS - 31 March 2020

**DIRECTORS' DECLARATION**

The directors have determined that the company is not a reporting entity. The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

In the opinion of the directors:-

- (a) the accounts of the company set out on pages 6 to 9 are drawn up so as to give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> March 2020 and of its results for the year ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

Signed at **PADSTOW** this 27<sup>th</sup> day of April 2020  
in accordance with the resolution of the directors.



.....  
DIRECTOR

TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

COMPILATION REPORT

To: Technocraft Australia Pty Ltd ("the client")

We have compiled the accompanying special purpose financial statements of the client for the year ended 31 March, 2020.

The specific purpose for which the special purpose financial report has been prepared is to provide information relating to the performance and financial position of the business that satisfies the information needs of the client.

**The responsibility of the client**

The client is solely responsible for the information contained in the special purpose financial report, the reliability, accuracy and completeness of the information and has determined that the basis of accounting used is appropriate to meet its needs and for the purpose for which the financial report was prepared.

**Our responsibility**

On the basis of information provided by the client, we have compiled the accompanying special purpose financial statements for the year ended 31 March, 2020 in accordance with the basis of the accounting described in Note to the financial statements. We have complied with the relevant ethical requirements of APES 315 "Compilation of Financial Information."

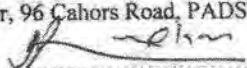
We have applied professional expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in the notes to the financial statements. We have complied with the required ethical requirements of APES 110 "Code of Ethics for Professional Accountants"

**Assurance Disclaimer**

Since the compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy, or completeness of the information provided to us by the client to compile these financial statements. Accordingly we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial report was prepared exclusively for the benefit of the client who is responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility to any other person for the contents of the special purpose financial report.

GOKANI & ASSOCIATES, CPAs  
1<sup>ST</sup> Floor, 96 Cahors Road, PADSTOW NSW 2211

  
.....  
Kantilal Ratanshi Gokani (Partner)

27<sup>th</sup> April, 2020

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH, 2020

2019		2020
63,425.96	OPERATING PROFIT(LOSS) before tax	-456,237.61
17,878.89	Income tax applicable thereto	436.74
<u>45,547.07</u>	OPERATING PROFIT (LOSS) for the year	<u>-455,800.87</u>
1,200,816.58	RETAINED PROFIT B/F	1,246,363.65
<u>1,246,363.65</u>	RETAINED PROFIT at year end	<u>790,562.78</u>
<u>1,246,363.65</u>	RETAINED PROFIT c/f	<u>790,562.78</u>

Public officer\* 

THESE ACCOUNTS ARE UNAUDITED

PLEASE REFER TO THE COMPILATION REPORT

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

## STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH, 2020

2019		2020
	<b>CURRENT ASSETS</b>	
	Cash:	
177,497.98	Cash at bank	134,579.26
420.43	Cash on hand	186.88
	Receivables:	
2,317,974.64	Trade debtors (per schedule)	891,402.52
85,267.86	other debtors	37,275.00
2,446,947.20	Inventories	4,057,663.22
<u>5,028,108.11</u>	<b>TOTAL CURRENT ASSETS</b>	<u>5,121,106.88</u>
	<b>NON-CURRENT ASSETS</b>	
18,277.41	Motor vehicle (at cost)	18,277.41
13,042.54	Accumulated depreciation	14,351.26
<u>5,234.87</u>		<u>3,926.15</u>
46,979.49	Plant & equipment (at cost)	46,979.49
32,422.04	Accumulated depreciation	41,072.00
14,557.45		<u>5,907.49</u>
<u>19,792.32</u>	<b>TOTAL NON-CURRENT ASSETS</b>	<u>9,833.64</u>
<u>5,047,900.43</u>	<b>TOTAL ASSETS</b>	<u>5,130,940.52</u>
	<b>LIABILITIES</b>	
	Creditors and borrowing:	
1,698,829.22	Trade creditors	3,589,031.51
771,812.88	CBA Loan	0.00
903,666.67	CBA Loan USD	0.00
	Eftpos TAPL-Melb	5,771.98
191,295.12	Technocraft Indst LOAN India	500,000.00
-	Other creditors	15,484.25
17,878.89	BAS Payable	12,036.00
	Income tax	0.00
<u>3,583,482.78</u>	<b>TOTAL CURRENT LIABILITIES</b>	<u>4,122,323.74</u>
-	<b>NON-CURRENT LIABILITIES</b>	-
<u>3,583,482.78</u>	<b>TOTAL LIABILITIES</b>	<u>4,122,323.74</u>
<u>1,464,417.65</u>	<b>NET ASSETS</b>	<u>1,008,616.78</u>
	<b>SHAREHOLDERS EQUITY</b>	
218,054.00	Share capital:	218,054.00
1,246,363.65	218054 shares	790,562.78
	RETAINED PROFIT	
<u>1,464,417.65</u>	<b>TOTAL SHAREHOLDERS' FUND</b>	<u>1,008,616.78</u>

Public officer\*.....

THESE ACCOUNTS ARE UNAUDITED

PLEASE REFER TO THE COMPILATION REPORT

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

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## NOTES TO AND FORMING PART OF THE ACCOUNTS

YEAR ENDED 31 March 2020

### 1. STATEMENT OF ACCOUNTING POLICY

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members of the company.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows.

### 2. INCOME TAX

The income tax expense for the year comprises current income tax expense and deferred tax expense when applicable.

Current income tax expense charged to the profit and loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax assets and deferred tax liability balances during the year as well as unused tax losses. This did not apply in the year.

Current and deferred income tax expense is charged or credited outside profit or loss when the tax relates to items that are charged outside profit or loss.

### 3. INVENTORIES

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

### 4. PROPERTY, PLANT AND EQUIPMENT

These are depreciated over their useful lives to the company. Property, plant and equipment are carried at cost. All assets are depreciated over their useful lives to the company.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's

## TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

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employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheets.

### 6. REVENUE AND OTHER INCOME

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest Revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percent of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

These notes should be read in conjunction with the attached compilation report of Gokani & Associates, CPA's

  
.....Public Officer

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

DETAILED NOTES

YEAR ENDED 31 MARCH, 2020

2019 Amount \$		2020 Amount \$
	<b>Travel and fares</b>	
16,361.37	Flights/ Travel - Internation /National business trips	28,357.99
<u>16,361.37</u>		<u>28,357.99</u>
	<b>Interest Received</b>	
42,082.26	Unispan Australia Pty Ltd	34,289.14
16,472.00	Splendid Capital Invest Pty Ltd	-
991.05	S.S Scaffolding Pty Ltd	2,493.98
5,944.46	Synergy Scaffolding Holdings Pty Ltd	2,377.79
<u>65,489.77</u>		<u>40,203.96</u>
	<b>Cash at bank</b>	
420.43	Cash in hand	186.88
118,644.96	CBA Syd	30,963.35
0.00	CBA Formwork	1,722.97
954.44	CBA - USD	190.97
57,898.58	CBA - MEL	8,201.97
	Bank Gurantee deposit	93,500.00
<u>177,918.41</u>		<u>134,766.14</u>
	<b>Other debtors</b>	
8,447.00	PAYG instalments	3,175.00
15,810.20	Loan to Technocraft NZ	-
9,444.00	BAS Refund	-
9,000.00	Staff Loan/Advance- Ranjeeta	4,000.00
6,966.66	Land lord deposit -Mel	-
18,000.00	Staff Loan Clancy	11,500.00
	Advance to Sitaram	1,000.00
17,600.00	Land lord deposit - Syd	17,600.00
<u>85,267.86</u>		<u>37,275.00</u>
	<b>Other creditors</b>	
179,948.30	Advance from CGS	160.16
2,192.89	Advance from Full strength	2,192.89
5,843.49	Advance from Scaffold Pro	7,744.80
2,656.20	Payroll accruals	3,488.40
654.24	2020 FBTpayable	1,898.00
	GST Payable	12,036.00
<u>191,295.12</u>		<u>15,484.25</u>


  
 Director

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

## DETAILED STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH, 2020

2019		2020
7,854,928.46	GROSS SALES	4,587,423.97
	Less	
	COST OF SALE	
1,230,299.48	Opening stock	2,446,947.20
7,753,949.55	Purchases	5,321,201.14
419,229.62	Freight, forwarding & customs	382,584.54
21,370.20	Packing & repainting	1,047.38
82,883.21	Commission	301.88
9,507,732.06		8,152,082.14
2,446,947.20	Less closing stock	4,057,663.22
7,060,784.86	Cost of sales	4,094,418.92
794,143.60	GROSS PROFIT	493,005.05
	Less	
	EXPENDITURE	
10,800.00	Accountancy	12,563.94
1,588.20	Advertising and gifts	4,151.12
47,801.26	Bank charges	35,603.88
-	Bad debts	-
1,664.42	Cleani'ng	1,867.01
39,396.00	Consultancy	7,019.00
1,309.91	Computer expenses	1,316.36
7,971.13	Depreciation	8,649.96
701.82	Depreciation immediate w/off	-
371.00	Donations	-
-	Detention charges	233.00
-	Equipment Hire	6,066.62
2,530.13	Fees and licences	2,385.00
654.24	Fringe benefits tax	2,900.98
(1,003.15)	Forex loss/(Gain)	(3,078.50)
-	General expenses	534.63
15,026.15	Insurance	20,383.26
45,252.20	Interest charges	62,245.82
4,246.98	Internet expenses	3,383.67
31,877.94	Legal fees	19,296.15
7,396.30	Light and power	6,805.20


Public officer\*   
 THESE ACCOUNTS ARE UNAUDITED  
 PLEASE REFER TO THE COMPILATION REPORT



# TECHNOCRAFT AUSTRALIA PTY LTD

## DETAILED STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH, 2020

2019		2020
8,233.35	Motor vehicle expenses	9,460.90
	Motor vehicle reimbursement	5,637.03
	Parking and bridge tolls	3,203.82
335.09	Printing & stationery	8,828.75
64.73	Postage	113.51
167,947.98	Rent	238,283.60
4,001.34	Repairs & maintenance	15,064.80
336,537.00	Salaries wages and allowances	432,835.24
8,350.74	Staff visa expenses	7,054.08
504.00	Security expenses	528.00
33,245.00	Superannuation contributions	42,820.27
1,430.92	Staff amenities	1,813.15
1,611.36	Telephone	3,118.38
16,361.37	Travel & fares	28,357.99
796,207.41		989,446.62
(2,063.81)	OPERATING (LOSS) for the year	(496,441.57)
65,489.77	Interest received	40,203.96
63,425.96	TOTAL OPERATING PROFIT (LOSS)	(456,237.61)

Public officer:   
 THESE ACCOUNTS ARE UNAUDITED  
 PLEASE REFER TO THE COMPILATION REPORT

Client: Technocraft Australia Pty Ltd

For The Year Ended 31st March 2020

### Schedule of Trade Debtor

2019 Amount		2020 Amount
2,215,582.27	Trade debtor - Syd*	590,473.58
102,392.37	Trade debtor - Mel	112,998.29
-	Trade debtor - Formwork	187,930.65
<u>2,317,974.64</u>		<u>891,402.52</u>

\*Baddebts w/off 2015 to be deducted from Aged receivable summary to reconcile \$105,054.8 (Australia Scaffolding).

Director



Client: Technocraft Australia Pty Ltd

For The Year Ended 31st March 2020

### Schedule of Motor Vehicles

Depreciation	1,308.72
Drivers licence	-
Insurance	2,260.91
Interest	-
Loss on sales	-
NRMA subscription	-
Other expenses	-
Parking & Toll	-
Petrol	2,860.75
Registration	1,382.60
Rental	-
Repairs and maintenance	1,647.92
	<u>9,460.90</u>
Less: FBT employees' contributions	-
Total claimed	<u>9,460.90</u>

### Depreciation Schedule

Description	Purchase Date	Original Cost	Addition	QWDV	Rate %	Dep'n	Disposal	Loss on sale	CWDV	Days
Car - Sydney - Syd 60% business use	30/04/2012	13,050.14		1,789.71	25.00%	447.43			1,342.28	365
Honda Jazz -YYG95 - Mei 80% business use	5/10/2017	5,227.27		3,445.16	25.00%	861.29			2,583.87	385
Total		<u>18,277.41</u>	-	<u>5,234.87</u>		<u>1,308.72</u>		-	<u>3,926.16</u>	



Director

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975  
YEAR ENDED 31 MARCH, 2020

## Depreciation Schedule

### Plant & Equipment

Item	Purchase Date	Cost	OWDV	Rate	Dep'n	CWDV
Office Equipment	7/09/2009	409.09	17.92	10.00%	17.92	0.00
Chairs	13/05/2010	436.36	48.77	10.00%	43.64	5.13
Office Equipment	28/03/2012	1,409.09	421.56	10.00%	140.91	280.66
Office Equipment- surveillance	9/04/2014	2,150.00	1,079.71	10.00%	215.00	864.71
Office Equipment- surveillance	9/10/2014	600.00	331.40	10.00%	60.00	271.40
Fork Force forklift	30/06/2015	29,750.00	7,349.94	20.00%	5,950.00	1,399.94
Active Forklifts	11/03/2016	10,000.00	3,890.40	20.00%	2,000.00	1,890.40
Office Equipment - Perth trf to Syd	10/08/2015	1,039.95	661.29	10.00%	104.00	557.30
Container Ramp - Perth trf to Syd	19/08/2015	1,185.00	756.45	10.00%	118.50	637.95
		<b>46,979.49</b>	<b>14,557.45</b>		<b>8,649.96</b>	<b>5,907.49</b>



Director

ANHUI RELIABLE STEEL  
TECHNOLOGY CO LTD,  
CHINA

# Report of the Auditors

ChuHengShenZi[2020] NO.067

All the shareholders of ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD:

## **I. Auditors' Opinion**

We have audited the financial statements of ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD (hereinafter referred to as "the company"), including the balance sheet by December 31, 2019 and the profit statement, cash flow statement, statement of equity changes and notes to the financial statements of 2019.

In our opinion, the company's financial statements presented fairly, in all material respects, the financial position of the company by December 31, 2019 and the results of its operations and its cash flows of 2019.

## **II. The Basis for Audit Opinion**

We performed the audit in accordance with the Auditing Standards of Chinese Certified Public Accountants. The section of "CPA's Responsibility for Auditing Financial Statements" in this report further elaborated our responsibilities under these guidelines. According to the Code of Ethics of Chinese Certified Public Accountants, we are independent of your company and perform other professional ethics responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for issuing an audit opinion.

## **III. Management's Responsibility for Financial Statements**

The management is responsible for preparing and fair presenting financial statements in accordance with the requirements of the Accounting Standards for Business Enterprises. The management also needs to design, implement and maintain necessary internal controls so that there are no material misstatements due to fraud or errors in the financial statements.

In the preparation of the financial statements, the management is responsible for assessing the company's ability for long-term operation, disclosing issues related to long-term operation and applying the assumption of long-term operation, unless the management plans to liquidate the company, cease operations or have no other feasible choice.

The governance layer is responsible for overseeing the company's financial reporting process.

#### **IV. CPA's Responsibility for Auditing Financial Statements**

Our objective is to obtain reasonable assurance as to whether the entire financial statements are free from material misstatement due to fraud or error and to issue an audit report containing audit opinions. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit can always discover an existed misstatement, even though the audit performed in accordance with auditing standards. Misstatement may be caused by fraud or mistakes, and if a misstatement alone or aggregated may affect the economic decision-making made by users based on the financial statements, misstatements are generally considered to be material.

In the process of conducting audit work in accordance with auditing standards, we used professional judgment and maintained professional suspicion. At the same time, we also perform the following tasks:

(1) Identify and assess risks of material misstatement of financial statements due to fraud or errors, design and implement audit procedures to deal with these risks, and obtain adequate and appropriate audit evidence as a basis for issuing audit opinions. Since fraud may involve collusion, falsification, intentional omission, misrepresentation or override of internal controls, the risk of failing to detect a material misstatement due to fraud is higher than the risk of failure to detect a material misstatement due to an error.

(2) Understand the internal control related to auditing to design appropriate auditing procedures, but the purpose is not to express opinions on the effectiveness of internal control.

(3) Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures.

(4) Conclusions are reached on the appropriateness of management's use of continuing operations assumptions. At the same time, based on the audit evidence obtained, it may lead to conclusions as to whether there are significant uncertainties in matters or circumstances that may cause major concerns about the company's continuing operations capabilities. If we conclude that there are significant uncertainties, the auditing standards require us to request the users of the report to pay attention to the relevant disclosures in the financial statements in the audit report; if the disclosure is not sufficient, we should not publish unqualified opinions. Our conclusions are

based on the information available as of the date of the audit report. However, future events or circumstances may also prevent the company from continuing operation.

(5) Evaluate the overall presentation, structure, and content (including disclosures) of the financial statements and evaluate whether the financial statements fairly reflect the relevant transactions and events.

We communicate with the governance team on the scope, timing, and major audit findings of audit, including communication of the internal control deficiencies that we identified during the audit.

Chuzhou Heng Li Xin Certified Public Accountants Office  
(General Partnership)

Chuzhou China



Certified Public Accountant:

Certified Public Accountant:

March 25, 2020



# Balance Sheet

12/31/19

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Unit: RMB Yuan

Assets	NO.	Ending balance	Beginning balance	Liabilities and owners' equity	NO.	Ending balance	Beginning balance
<b>Current assets:</b>	<b>1</b>			<b>Current liability:</b>	<b>34</b>		
Cash	2	452,471.22	1,479,520.89	Short-term borrowings	35	41,177,063.00	41,407,453.58
Financial assets measured at fair value and changes recorded into current period profit or loss	3			Financial liability measured at fair value and changes recorded into current period profit or loss	36		
Derivative financial asset	4			Derivative financial liability	37		
Notes receivable & Accounts receivable	5	25,319,404.05	19,776,486.25	Notes payable & Accounts payable	38	18,784,210.92	16,903,229.32
Prepayments	6	5,958,918.29	5,238,942.53	Advance receipts	39	322,808.56	1,063,850.79
Other receivables	7	656,039.80	968,356.13	Employee pay payable	40	1,557,006.39	1,623,946.99
Inventories	8	15,419,338.30	15,541,180.13	Taxes payable	41	1,083,427.37	258,805.73
Assets held for sale	9			Other payables	42	150,431.75	369,034.10
Current portion of non-current assets	10			Liabilities held for sale	43		
Other current assets	11	2,138.10	55,080.13	Non-current liabilities due within one year	44		
<b>Total current assets</b>	<b>12</b>	<b>47,808,309.76</b>	<b>43,059,566.06</b>	Other current liabilities	45		
				<b>Total current liabilities</b>	<b>46</b>	<b>63,074,947.99</b>	<b>61,626,320.51</b>
<b>Non-current assets:</b>	<b>13</b>			<b>Non-current liabilities:</b>	<b>47</b>		
Financial assets available for sale	14			Long-term loans	48		
Fixed-to-maturity investments	15			Bonds payable	49		
Long-term account receivable	16			Long-term payable	50		
Long-term equity investments	17			Accrued liabilities	51		
Investment properties	18			Deferred income	52		
Fixed assets	19	44,313,507.19	33,378,348.37	Deferred income tax liabilities	53		
Minus: accumulated depreciation	20	17,605,489.73	14,863,711.40	Other non-current liabilities	54		
Net value of fixed assets	21	26,708,017.46	18,514,636.97	<b>Total non-current liabilities</b>	<b>55</b>		
Construction in progress	22	4,090,578.09	12,025,386.35	<b>Total liabilities</b>	<b>56</b>	<b>63,074,947.99</b>	<b>61,626,320.51</b>
Productive biological assets	23			Owners' equity:	57		
Oil and gas assets	24			Paid-up capital (or capital stock)	58	15,129,621.98	15,129,621.98
Intangible assets	25	1,956,480.00	2,005,392.00	Other equity income	59		
Development expenditure	26			Capital reserves	60		
Business reputation	27			Minus: treasury stock	61		
Long-term deferred expenses	28	12,800.00	247,552.24	Other comprehensive income	62		
Deferred income tax assets	29			Surplus reserves	63		
Other non-current assets	30			Undistributed profits	64	2,371,615.34	-903,408.87
<b>Total non-current assets</b>	<b>31</b>	<b>32,767,875.55</b>	<b>32,792,967.56</b>	<b>Total owners' equity</b>	<b>65</b>	<b>17,501,237.32</b>	<b>14,226,213.11</b>
	32			<b>Total liabilities and owners' equity</b>	<b>66</b>	<b>80,576,185.31</b>	<b>75,852,533.62</b>
<b>Total assets</b>	<b>33</b>	<b>80,576,185.31</b>	<b>75,852,533.62</b>				

Legal Representative:

General Manager Of Accounting :

Chief Financial Officer:

# Income Statement

Year 2019

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD Unit: RMB Yuan

Item	NO.	This Year	Last Year
<b>I. Revenue</b>	<b>1</b>	<b>109,439,768.45</b>	<b>104,678,022.68</b>
Minus: Operating costs	2	92,644,340.01	89,761,748.02
Taxes and surcharges	3	846,483.93	739,579.96
Selling expenses	4	3,227,409.60	2,949,063.72
General and administrative expenses	5	5,633,774.50	4,879,184.24
Development costs	6		
Financial expenses	7	2,924,408.39	3,939,546.09
Include: Interest expenses	8	3,161,850.67	2,831,333.38
Interest income	9	-2,306.18	-3,955.99
Asset impairment losses	10	99,050.00	
Plus: Other income	11	208,301.20	504,711.00
Investment income ("-" represents loss)	12		
Include: Income from associates	13		
Changes of fair value of assets ("-" represents loss)	14		
Asset disposal income ("-" represents loss)	15		11,854.42
<b>II. Operating profit</b>	<b>16</b>	<b>4,272,603.22</b>	<b>2,925,466.07</b>
Plus: Non-operating income	17	109,056.55	3,746.08
Minus: Non-operating expense	18	4,319.71	5,679.06
<b>III. Total profits</b>	<b>19</b>	<b>4,377,340.06</b>	<b>2,923,533.09</b>
Minus: Income tax expenses	20	1,102,315.85	
<b>IV. Net profit</b>	<b>21</b>	<b>3,275,024.21</b>	<b>2,923,533.09</b>
(1) Net profit of continued operating	22	3,275,024.21	2,923,533.09
(2) Net profit of discontinued operating	23		
V. Net of tax from other comprehensive income	24		
(1) Other comprehensive income cannot reclassified into the profit and loss	25		
a) Remeasure the variation of defined benefit plans	26		
b) Other comprehensive income that cannot be classified into profit and loss under equity method	27		
(2) Other comprehensive income that will be reclassified into profit and loss	28		
a) Other comprehensive income that will be classified into profit and loss under equity method	29		
b) Changes in fair value through profit and loss of available-for-sale financial assets	30		
c) Held-to-maturity investment reclassified into available-for-sale financial assets	31		
d) Effective part of cash-flow hedge profit and loss	32		
e) Balance arising from the translation of foreign currency financial statements	33		
<b>VI. Comprehensive income in total</b>	<b>34</b>	<b>3,275,024.21</b>	<b>2,923,533.09</b>
<b>VII. Earnings per share</b>	<b>35</b>		
(1) Basic EPS	36		
(2) Diluted EPS	37		

Legal Representative:

General Manager Of Accounting :

Chief Financial Officer:

# Statement of Cash Flows

Year 2019

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Unit: RMB Yuan

Item	NO.	This Year	Last Year
<b>I. Cash flow from operations</b>	<b>1</b>		
Cash received from sales of goods or rendering services	2	109,950,705.52	109,629,478.16
Refunds of taxes	3	4,177,532.76	3,597,501.10
Cash received relating to other operating activities	4	285,894.84	508,666.99
<b>Sub-total of cash inflows from operating activities</b>	<b>5</b>	<b>114,414,133.12</b>	<b>113,735,646.25</b>
Cash paid for goods or receiving services	6	88,656,749.07	89,936,256.36
Cash paid to and on behalf of employees	7	15,400,902.28	13,406,484.74
Tax payments	8	1,140,930.93	1,270,877.19
Cash paid relating to other operating activities	9	2,813,191.81	3,858,406.86
<b>Sub-total of cash outflows from operating activities</b>	<b>10</b>	<b>108,011,774.09</b>	<b>108,472,025.15</b>
<b>Net cash flow from operating activities</b>	<b>11</b>	<b>6,402,359.03</b>	<b>5,263,621.10</b>
<b>II. Cash flows from investment activities:</b>	<b>12</b>		
Cash received from disposal of investments	13		
Cash received from investments income	14		
Net cash received from disposal of fixed assets intangible assets and other long-term assets	15		48,235.12
Net cash from disposal of subsidiary corporation and other business entity	16		
Cash received relating to other investing activities	17		
<b>Sub-total of cash inflows from investing activities</b>	<b>18</b>		<b>48,235.12</b>
Cash paid to acquire fixed assets intangible assets and other long-term assets	19	3,890,190.20	6,423,016.91
Cash paid to acquire investments	20		
Net cash from subsidiary corporation and other business entity	21		
Cash payments relating to other investing activities	22		
<b>Sub-total of cash outflows from investing activities</b>	<b>23</b>	<b>3,890,190.20</b>	<b>6,423,016.91</b>
<b>Net cash flow from investing activities</b>	<b>24</b>	<b>-3,890,190.20</b>	<b>-6,374,781.79</b>
<b>III. Cash flows from financing activities:</b>	<b>25</b>		
Cash from absorption of investments	26		
Receipts from loan	27	35,620,149.00	38,870,149.00
Cash received relating to other financing activities	28		
<b>Sub-total of cash inflows from financing activities</b>	<b>29</b>	<b>35,620,149.00</b>	<b>38,870,149.00</b>
Repayments of financial institution borrowings	30	35,960,149.58	35,419,999.00
Dividends paid, profit distributed or interest paid	31	3,115,913.17	2,783,676.83
Cash payments relating to other financing activities	32		
<b>Sub-total of cash outflows from financing activities</b>	<b>33</b>	<b>39,076,062.75</b>	<b>38,203,675.83</b>
<b>Net cash flow from financing activities</b>	<b>34</b>	<b>-3,455,913.75</b>	<b>666,473.17</b>
<b>IV. Effect of foreign currency translation</b>	<b>35</b>	<b>-83,304.75</b>	<b>90,729.02</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>36</b>	<b>-1,027,049.67</b>	<b>-353,958.50</b>
<b>Plus: Opening balance of cash and cash equivalents</b>	<b>37</b>	<b>1,479,520.89</b>	<b>1,833,479.39</b>
<b>VI. Ending balance of cash and cash equivalents</b>	<b>38</b>	<b>452,471.22</b>	<b>1,479,520.89</b>

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:

# Statement of Equity Changes

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Year 2019

Unit: RMB Yuan

Item	NO.	This Year					Last Year								
		paid-up capital	Capital Reserve	Less: Treasury share	Other comprehensive income	Surplus Reserve	Undistributed Profits	Total Owner's Equity	paid-up capital	Capital Reserve	Less: Treasury share	Other comprehensive income	Surplus Reserve	Undistributed Profits	Total Owner's Equity
I. Balance at end of last year	1	15,129,621.98					-642,075.50	14,487,546.48	15,129,621.98					-3,722,431.53	11,407,190.45
Plus: Changes in accounting policies	2														
Corrections of prior period errors	3														
Others	4														
II. Opening balance of this year	5	15,129,621.98						14,226,213.11	15,129,621.98						156,822.94
III. Increases or Decreases of This Year ("+" represents increases)	6						3,275,024.21	3,275,024.21						2,923,533.09	2,923,533.09
(i) Total comprehensive income	7						3,275,024.21	3,275,024.21						2,923,533.09	2,923,533.09
(ii) Capital invested and reduced by the owners	8														
1. Owners' devoted capital	9														
2. Holders of other equity instruments invested capital	10														
3. Amount of share-based payments recorded into the owner's equities	11														
4. Others	12														
(iii) Profits distribution	13														
1. Withdrawal surplus reserves	14														
2. Distribute to owners (or shareholders)	15														
3. Others	16														
(iv) Internal carry-forward of owners' equities	17														
1. Capitalized capital (or stock) reserves	18														
2. Capitalized surplus (or stock) reserves	19														
3. Surplus reserves make-up losses	20														
4. Carry over retained earnings from defined benefit plans	21														
5. Carry over retained earnings from other comprehensive income	22														
6. Others	23														
IV. Ending balance of this year	24	15,129,621.98					2,371,615.34	17,501,237.32	15,129,621.98					-642,075.50	14,487,546.48

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:

# ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

## NOTES TO THE FINANCIAL STATEMENT

### FOR THE YEAR 2019

#### **I. Company profile**

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD is a foreign-invested enterprise founded in April, 2008. The company is authorized by “CERTIFICATE OF APPROVAL FOR ESTABLISHMENT OF ENTERPRISES WITH FOREIGN INVESTMENT IN THE PEOPLE'S REPUBLIC OF CHINA” (WaiZiWanFuZi [2008] NO.71) granted by the government of Anhui province, and hold the business license (Unified Social Credit Code: 91341100672646031Q) issued by Chuzhou Industry & Commerce Administration Bureau. The company's investor is TECHNOCRAFT INDUSTRIES (INDA) , and the registered capital is 2.25 million U.S. dollars.

Operating period: 49 years.

Business scope: Manufacture and sell drum seal and scaffolding (operate according to the related certificates).

Company address: Quanjiao Comprehensive Economic Developing Zone, Anhui Province, China.

Legal representative: SHARMA RAKESH KUMAR.

#### **II. Explanations on the important accounting policies and accounting estimates**

##### **1. The accounting standards and system currently executed by the company**

The company's financial statements executes the “Accounting Standards for Business Enterprises”, and promise to give a true and complete reflection of the financial condition, operating results and cash flow.

##### **2. The basis of financial statement**

Under the assumption of continuous operating, the company affirm and calculate the actual transactions according to the “Accounting Standard for Business Enterprises: Basic Standard” and other items of accounting standard. These are the ground of the company's financial statements.

##### **3. Fiscal period**

There are two kinds of fiscal period: annual and interim. The fiscal annual starts from January 1 to December 31 of each calendar year, while the interim period include monthly, quarter and

semi-annual.

#### 4. Bookkeeping currency and foreign currency accounting

The company adopts RENMINBI (RMB) as currency used in bookkeeping.

As for the foreign currency transaction, the accounting method is to convert the foreign currency into RMB based on the spot rate of the transaction day. As for the conversion of monetary items on the balance sheet date, the spot rate on the balance sheet date is adopted. Exchange differences, which arising from the difference between the spot rate on the balance sheet date and the spot rate on the former balance sheet date or the first confirmation date, is the exchange gains and losses of foreign currency loans related to fixed assets purchase, and the accounting shall capitalization the borrowing costs. In addition, the costs shall be contained in the long-term deferred expenses if it incurred in the construction period, while it shall be contained in the finance costs if related to the company's operation.

#### 5. Bookkeeping basis and pricing principle

The company adopts the accrual basis and the debit-credit bookkeeping as accounting principles. And assets are measured at their historical cost.

#### 6. Recognition criteria of cash equivalents

Cash equivalents are short-term (mature within three months) and highly liquid investments, which can easily convert into knowable amounts of cash and subject to an insignificant risk of value change.

#### 7. The checking and calculating of bad receivables

##### (1) Criteria for recognition of bad debts

① The debtor is bankrupt or dead while the accounts receivable is not recoverable by the debtor's bankrupt property or inheritance;

② There are significant signs that indicate the matured debts cannot be taken back.

Above receivables should be ratified by the board as bad debts.

(2) Method on bad debts calculation: The allowance method.

#### 8. Accounting method on inventory

##### (1) Classification of inventory

The inventories of the company include raw materials, packaging materials, low-value consumable items, finished products, unfinished products etc.

(2) Measurement of inventories' prices

The inventories obtaining are priced at the actual cost, while the inventories sending out are priced with the weighted average method. The low-value consumable items and packaging materials are amortized by immediate write-off method when consumed. The calculation of products' cost is under the species-classification method. The merchandise inventories are priced at the actual cost, while priced according to the weighted average method at the time of sending off.

(3) Recognition and measurement for inventory impairment provision

The final inventory is priced at the smaller amount between the cost and the net realizable value. The reserves for devaluation is calculated based on individual item of inventory, and then included in the current profit and loss.

9. Valuation, depreciation policy and depreciation reserves for fixed asset

(1) Identifying fixed asset

① Fixed asset represents the kind of building, mechanical equipment, vehicle and other operational appliances that is capable to serve for more than one year;

② Or main appliance and article, irrelevant to production or operation, whose unit price is over 2,000 RMB and survive no less than two years.

(2) The recognition criteria and calculation method of fixed assets' valuation and depreciation reserves

The fixed assets are priced at the actual cost in the obtaining time. At the end of each year, the company checked the fixed assets items by items, and the depreciation reserve is equal to the recoverable amount minus the book value. The depreciation reserve for fixed asset, booked by individual, would be included in current profit and loss.

(3) Depreciation methods for fixed asset:

The depreciation of fixed assets is calculated with the straight-line method. Fixed assets' life spans are determined by their classification, while the residue rate is 10%. There are kinds of fixed assets with various depreciation life and yearly depreciation:

Category	Life Span (Year)	Residue Rate (%)
House and Building	20	5
Mechanical equipment	10	5
Office Equipment	3—5	5

Vehicle	4	5
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#### 10. Accounting method on construction-in-progress

Construction-in-progress is booked according to the actual expenditures, and shall be accounted as fixed asset when its workable condition is reached. Comprehensive evaluation on construction-in-progress would be taken at the end of each year. If evidences show that construction-in-progress is decrease in value, then the reduction should be recognized as depreciation reserves and included in the current profit and loss. Besides, the reserves for devaluation booked in an individual way.

#### 11. Valuate and amortize intangible asset

(1) The intangible asset is priced at the actual cost when obtaining

(2) The intangible assets amortized evenly in the period prescribed by law. If no such legal requirement existed, the own-decided amortization year should be less than 10 years.

(3) Intangible assets' provision for impairment: At the end of each year, the company evaluates the economic capability of all the intangible assets. For assets whose expected recoverable amount below its book value, the devaluation should be reserved and included in the current profit and loss. Besides, the reserves for devaluation booked in an individual way.

#### 12. Principle of revenue recognition

Revenue is recognized when products' ownership have transferred to the customer, and the company have got the rewards or the relevant rights. Specifically, revenue shall be recognized when all the following conditions have been satisfied::

(1) The significant risks and rewards related to the ownership of the goods have been transferred to the buyer;

(2) The Company retains no continuous right of management that associated with the ownership, nor the right of control over the sold goods;

(3) The Company could receive the economic benefits associated with the transaction;

(4) The amount of revenues and costs can be measured reliably.

Other revenues get recognized when the service is finished and the charge(credential for charge) is received.

#### 13. Governmental subsidy

For the governmental subsidy that related to profit, if it is used for compensate the afterward



expense or loss, then subsidy would be included in profit and loss in the expense-accounting period; if the subsidy is used for compensate expense or loss in earlier stage, then subsidy would be included in current profit and loss.

For those governmental subsidy that related to property, it shall be recognized as deferred income and included in the current profit and loss directly.

#### 14. Tax

Categories of taxes and their rate are listed as follows:

- (1) Added-value tax: the rate of output tax is 13%;
- (2) Urban construction tax: 5% of the amount of circulation tax;
- (3) Extra charges of education funds: 3% of the amount of circulation tax;
- (4) Local extra charges of education funds: 2% of the amount of circulation tax;
- (5) Income tax: adopt the tax payable accounting method.

### III. Significant changes of accounting policies and accounting estimates ; Corrections of prior period errors.

None.

### IV. Contingencies

None.

### V. Notes of the financial statement:

#### 1. Monetary assets

Item	Ending balance	Opening Balance
Cash	4, 498. 16	462, 001. 77
Cash in bank	447, 973. 06	1, 017, 519. 12
Total	452, 471. 22	1, 479, 520. 89

#### 2. Notes receivable & Account receivable

##### (1) Item

No.	Item	Ending balance	Opening Balance
1	Notes receivable	1, 251, 120. 00	1, 594, 885. 19
2	Account receivable	24, 068, 284. 05	18, 181, 601. 06

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

	Total	25,319,404.05	19,776,486.25
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(2) Notes receivable

Debtors' names	Ending balance	Business content	Remark
Shanghai Tianhaoda Chemical Engineering Packing Co., Ltd.	500,000.00	Paid by banker's acceptance bill	Six months
Kaiping Xinjinrong Drum Co., Ltd.	200,000.00	Paid by banker's acceptance bill	Six months
Taicang Datianmingbo Packing Co., Ltd.	200,000.00	Paid by banker's acceptance bill	Six months
Zhejiang Xinan Packing Co., Ltd.	101,120.00	Paid by banker's acceptance bill	Six months
CPMC Holdings Limited (Kunshan)	100,000.00	Paid by banker's acceptance bill	Six months
Ningbo Donghaian Packing Co., Ltd.	80,000.00	Paid by banker's acceptance bill	Six months
JFE Steel Drum (Shanghai) Co., Ltd.	50,000.00	Paid by banker's acceptance bill	Six months
Dezhou Huayi Packing Co., Ltd.	20,000.00	Paid by banker's acceptance bill	Six months
Total	1,251,120.00		

(3) Account receivable

(a) Aging analysis

Aging	End of the year			Beginning of the year		
	Amount	Proportion	Bad debt reserves	Amount	Proportion	Bad debt reserves
Within one year	24,154,380.05	99.94%	100,000.00	18,167,372.06	99.92%	

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

One to three years	13,904.00	0.06%		14,229.00	0.08%	
Above three years						
Total	24,168,284.05	100%	100,000.00	18,181,601.06	100%	

(b) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	TECHNOCRAFT AUSTRALIA PTY LTD	6,158,333.82	Payment for goods	Within one year
2	TECHNOCRAFT NZ LIMITED	1,896,686.33	Payment for goods	Within one year
3	Yantai Guoxin Steel Packing Co., Ltd.	1,766,081.00	Payment for goods	Within one year
4	Taicang Datianmingbo Drum Co., Ltd.	1,750,900.00	Payment for goods	Within one year
5	Shangdong Auspicious Industrial Co., Ltd.	1,282,060.00	Payment for goods	Within one year
6	Taicang SFZT Drum Co., Ltd.	1,159,568.10	Payment for goods	Within one year

3. Prepayment

(1) Aging and proportion analysis

Aging	End of the year			Beginning of the year		
	Amount	Proportion	Bad debt reserves	Amount	Proportion	Bad debt reserves
Within one year	5,931,518.29	99.54%		5,205,743.13	97.50%	

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

One to three years	27,400.00	0.46%		30,700.00	0.58%	
Above three years				102,499.40	1.92%	100,000.00
Total	5,958,918.29	100%		5,338,942.53	100%	100,000.00

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	Wuxi Jiajitong Metals-trading Co., Ltd.	2,365,675.46	Advance payment	Within one year
2	Nanjing Renyi Technology and Trade Co., Ltd.	609,489.16	Advance payment	Within one year
3	Yangzhou Xuleji Scaffolding Co., Ltd.	566,553.29	Advance payment	Within one year
4	Rizhao Weijie Metal Processing Factory	453,950.00	Advance payment	Within one year
5	Nanjing Liuhe Tianhong machinery works	357,011.89	Advance payment	Within one year

4. Other receivables

(1) Aging analysis

Aging	End of the year			Beginning of the year		
	Amount	Proportion	Bad debt reserves	Amount	Proportion	Bad debt reserves
Within one year	494,532.59	75.38%		892,721.45	92.19%	
One to three years	101,507.21	15.47%		15,634.68	1.61%	
Above three years	60,000.00	9.15%		60,000.00	6.20%	
Total	656,039.80	100%		968,356.13	100%	

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
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ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

1	Export Rebates	254,437.52	Tax	Within one year
2	Labour Insurance	101,499.06	Reimbursed Expenses	Within one year
3	Quanjiao Administration of Power Supply	60,000.00	Guarantee Deposit	Above three years
4	Diao Jundong	36,542.01	Borrowing	Within one year

5. Inventory

(1) Item

Category	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Raw materials	9,403,296.69	60.98%	7,896,161.32	50.81%
Finished products	6,016,041.61	39.02%	7,645,018.81	49.19%
Total	15,419,338.30	100%	15,541,180.13	100%

(2) Capitalization of borrowing costs not exist in this period.

6. Other current assets

No.	Item	Ending balance	Beginning balance
1	VAT Payable	890.00	610.00
2	Input tax to be authenticated	1,248.10	54,470.13
	Total	2,138.10	55,080.13

7. Fixed assets

(1) Original value and accumulated depreciation

Item	Ending balance	Increase for current period	Decrease for current period	Beginning balance
① Original value:	44,313,507.19	10,935,158.82		33,378,348.37
(a) House and Building	17,104,818.01	144,954.13		16,959,863.88
(b) Mechanical equipment	25,926,871.98	10,723,905.82		15,202,966.16

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

(c) Electronic equipment	391,671.24	66,298.87		325,372.37
(d) Transportation vehicles	802,118.08			802,118.08
(e) Furniture and instrument	88,027.88			88,027.88
② Accumulated depreciation:	17,605,489.73	2,741,778.33		1,486,3711.4
(a) House and Building	6,871,734.55	801,437.47		6,070,297.08
(b) Mechanical equipment	9,776,764.66	1,862,092.30		7,914,672.36
(c) Electronic equipment	314,286.19	30,854.80		283,431.39
(d) Transportation vehicles	558,843.69	42,113.07		516,730.62
(e) Furniture and instrument	83,860.64	5,280.69		78,579.95
③ Net value of fixed assets	26,708,017.46	8,193,380.49		18,514,636.97

(2) The ownership of the house buildings, on the company's usable land, have been mortgaged to the Quanjiao Sub-branch of Industrial and Commercial Bank of China for loans.

(3) In this period, none of the fixed assets were in idle mode or held for sale, neither did them belong to finance rent or operating lease.

8. Construction in progress

Item	Ending balance	Increase for current period	Decrease for current period	Beginning balance
Constructional	4,090,578.09	187,406.96	144,954.13	4,048,125.26

Engineering				
Installation Project		1,428,724.91	9,405,986.00	7,977,261.09
Total	4,090,578.09	1,616,131.87	9,550,940.13	12,025,386.35

9. Intangible assets

(1) Original value and accumulated amortization

Item	Ending balance	Increase for current period	Decrease for current period	Beginning balance
① Original value of intangible assets	2,445,600.00			2,445,600.00
Land usage right	2,445,600.00			2,445,600.00
② Accumulated amortization	489,120.00	48,912.00		440,208.00
Land usage right	489,120.00	48,912.00		440,208.00
③ Net value of intangible assets	1,956,480.00	-48,912.00		2,005,392.00

(2) The company has the right of land-use on 32415.06 square meters, and this item's amortization period is 50 years.

(3) The ownership of the company's usable land have been mortgaged to the Quanjiao Sub-branch of Industrial and Commercial Bank of China for loans.

10. Long-term deferred expenses

Item	Ending balance	Increase for current period	Amortization in current period	Beginning balance
Mold expense		20,575.22	143,123.87	122,548.65
Building Maintenance Expenses		422,250.03	490,205.37	67,955.34
Rental fee	12,800.00	19,200.00	22,778.90	16,378.90
Insurance Expenses			40,669.35	40,669.35

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

Total	12,800.00	462,025.25	696,777.49	247,552.24
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11. Short-term borrowing

Lenders	Ending balance	Loan period	Rate of interest	Expired or not
TECHNOCRAFT INDUSTRIES (INDIA)	6,766,914.00	Two Years		Not expired
Quanjiao Sub-branch of Industrial and Commercial Bank of China	10,000,000.00	One year	4.19%	Not expired
Shanghai Sub-branch of Citibank	24,410,149.00	One year		Not expired
Total	41,177,063.00			

Note: The ending balance of the loan from TECHNOCRAFT INDUSTRIES (INDIA) is 970,000.00 US dollars.

12. Account payable

(1) Aging analysis

Aging	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Within one year	18,571,452.02	98.87%	16,728,251.27	98.96%
One to three years	118,320.90	0.63%	80,540.05	0.48%
Above three years	94,438.00	0.50%	94,438.00	0.56%
Total	18,784,210.92	100%	16,903,229.32	100%

(2) Principal Creditors

No.	Creditors' name	Ending balance	Reason	Aging
1	TECHNOCRAFT INDUSTRIES (INDIA)	7,680,823.41	Payment for goods	Within one year
2	Assess on materials expenses	6,260,209.71	Payment for goods	Within one year



ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

3	Hefei Changcheng Electroplate Factory	1,207,709.14	Payment for goods	Within one year
4	Jiangsu Neptune Supply Chain Co., Ltd	909,869.49	Payment for goods	Within one year
5	Nanjing Kasen Logistics Co., Ltd	233,700.00	Payment for goods	Within one year
6	Yizheng Baolijin Metal Products Technology Co., Ltd.	230,870.39	Payment for goods	Within one year

13. Advances from customers

(1) Aging analysis

Aging	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Within one year	283,308.56	87.76%	1,044,350.79	98.17%
One to three years	39,500.00	12.24%	19,500.00	1.83%
Total	322,808.56	100%	1,063,850.79	100%

(2) Principal Creditors

No.	Creditors' name	Ending balance	Reason	Aging
1	BAUKRANE BUDOWNICTWO S-K	247,551.85	Payment for goods	Within One year
2	HIGHMARK INTERNATIONAL T	33,488.41	Payment for goods	Within One year
3	Jurong Zhenyao Pack & Container Co., Ltd	20,000.00	Payment for goods	One to Three years

14. Employee pay payable

Item	Ending balance	Increase for current period	Decrease in current period	Beginning balance
Wages payable	1,557,006.39	13,182,439.83	13,249,380.43	1,623,946.99

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

Welfare payable		571,920.25	571,920.25	
Labor insurance		1,494,495.60	1,494,495.60	
Personnel education		75,106.00	75,106.00	
Union expenditure		10,000.00	10,000.00	
Total	1,557,006.39	15,333,961.68	15,400,902.28	1,623,946.99

15. Taxes payable

No.	Tax item	Ending balance	Beginning balance
1	Building tax payable	36,369.62	37,175.06
2	Land use right tax payable	56,726.36	32,415.06
3	Urban construction tax payable	3,502.43	16,431.68
4	Extra charges of education funds payable	2,099.66	9,859.01
5	Local extra charges of education funds payable	1,399.77	6,572.67
6	Stamp tax payable	3,615.20	2,536.91
7	Personal income tax payable	31,075.95	13,622.36
8	Corporate income tax	948,638.38	140,192.98
	Total	1,083,427.37	258,805.73

16. Other payables

(1) Items

No.	Item	Ending balance	Beginning balance
1	Interest payable	133,820.59	345,490.94
2	Other payables	16,611.16	23,543.16
	Total	150,431.75	369,034.10

(2) Interest payable

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

Item	Ending balance	Increase for current period	Decrease in current period	Beginning balance
Interest of borrowings from India Company	30,748.30	694,156.24	873,528.91	210,120.97
Interest of borrowings from Bank	103,072.29	-32,297.68		135,369.97
<b>Total</b>	<b>133,820.59</b>	<b>661,858.56</b>	<b>873,528.91</b>	<b>345,490.94</b>

(3) Other payables

(a) Aging analysis

Aging	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Within one year	7,284.50	43.85%	22,118.16	93.95%
One to three years	9,326.66	56.15%	1,425.00	6.05%
<b>Total</b>	<b>16,611.16</b>	<b>100%</b>	<b>23,543.16</b>	<b>100%</b>

(b) Principal Creditors

No.	Creditors' name	Year end balance	Reason	Aging
1	Board expenses	6,756.50	Board expenses	Within one year
2	Plate deposit	6,361.00	Guarantee deposit	Within one year
3	Labour suit deposit	1,425.00	Guarantee deposit	One to three years

17. Paid-up capital

Investors	Beginning of the year		Increase for current year	Decrease for current year	End of the year	
	Amount	Proportion			Amount	Proportion
TECHNOCRAFT INDUSTRIES (INDIA)	15,129,621.98	100%			15,129,621.98	100%

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

Total	15,129,621.98	100%			15,129,621.98	100%
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(1) Original currency of the paid-up capital is 2.25 million US dollars, equivalent to 15,129,621.98 RMB.

(2) The paid-up capitals aboved have been verified by Chuzhou Heng Li Xin Certified Public Accountants Office (ChuHengYanZi[2008]NO.164; ChuHengYanZi[2008]NO.224; ChuHengYanZi[2008]NO.255; ChuHengYanZi[2008]NO.272; ChuHengYanZi[2009]NO.034; ChuHengYanZi[2009]NO.095; ChuHengYanZi[2011]NO.028; ChuHengYanZi[2011]NO.139; ChuHengYanZi[2013]NO.001; ChuHengYanZi[2013]NO.014).

18. Undistributed profit

Item	Amount	Remark
① Undistributed profit at beginning of this period	-642,075.50	
Plus: net profit for the current year	3,275,024.21	
prior year income adjustment	-261,333.37	
② Profit available for distribution	2,371,615.34	
minus: withdrawal reserve fund		
withdrawal reserve for business expansion		
withdrawal reserve for bonus and welfare fund for staff and workers		
③ Undistributed profit at the end of this period	2,371,615.34	

19. Operation revenues and costs

Item	Accrual amount in this year		Accrual amount in last year	
	Income	Cost	Income	Cost
<b>Main business</b>	106,306,429.60	92,368,770.19	101,755,580.45	89,465,148.74
Include: export	59,879,942.19	54,858,934.98	69,631,445.93	62,421,210.30

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

product				
Sale in domestic market	46,426,487.41	37,509,835.21	32,124,134.52	27,043,938.44
<b>Other business</b>	3,133,338.85	275,569.82	2,922,442.23	296,599.28
Include:				
Raw material	138,252.79	275,569.82	297,565.95	296,599.28
Scraps	2,995,086.06		2,555,203.08	
Electric charge			1,118.03	
Processing charges			68,555.17	
<b>Total</b>	109,439,768.45	92,644,340.01	104,678,022.68	89,761,748.02

This year the changeover withholdings on VAT of export product in Operating costs, which is tax refund forbidden, is 509,792.84 RMB. The amount in last year is 4,100,430.88 RMB.

20. Taxes and surcharges

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Urban construction tax	220,545.04	169,318.02
2	Extra charges of education funds	132,325.21	101,590.84
3	Local extra charges of education funds	88,216.82	67,727.25
4	Stamp tax	32,438.39	27,094.51
5	Land use tax	226,905.43	226,905.42
6	House property tax	144,673.04	146,283.92
7	Vehicle and vessel tax	1,380.00	660.00
	<b>Total</b>	846,483.93	739,579.96

21. Selling expenses in this year is 3,227,409.60 RMB, while the amount in last year is 2,949,063.72 RMB in total.

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Wage	793,247.91	542,770.92
2	Transportation expenses	2,194,263.70	2,261,231.19
3	Quality indemnity		21,893.99
4	Travel expense	136,513.89	93,014.69

22. Administration expenses in this year is 5,633,774.50 RMB, while the amount in last year is 4,879,184.24 RMB in total.

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Wage	3,340,355.28	3,001,866.74
2	Welfare	302,442.67	222,697.49
3	Labor insurance	125,399.24	144,961.26
4	Entertainment expense	71,401.57	91,321.40
5	Travel expense	191,510.99	192,669.03
6	Office expenses	204,759.09	224,999.84
7	Maintenance cost	220,324.73	224,500.83
8	Depreciation cost	187,359.62	220,443.12
9	Amortization of intangible assets	48,912.00	48,912.00
10	Vehicle expense	129,818.83	130,921.59

23. Financial expense

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Interest income	-2,306.18	-3,955.99
2	Interest expense	3,161,850.67	2,831,333.38
3	Commission charge	49,777.97	47,721.62
4	Profit or loss on exchange	-284,914.07	1,064,447.08
	Total	2,924,408.39	3,939,546.09

24. Asset devaluation loss

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Bad debt reserves	99,050.00	
	Total	99,050.00	

25. Other income

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Governmental subsidy	208,301.20	504,711.00
	Total	208,301.20	504,711.00

26. Capital disposition benefit

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Income of disposal of fixed assets		11,854.42
	Total		11,854.42

27. Non-operating income & non-operating expenditure

	Item	Accrual amount in this year	Accrual amount in last year
①	Non-operating income		
(a)	Penalty income	13,902.33	3,746.08
(b)	Other income	95,154.22	
	Total	109,056.55	3,746.08
②	Non-operating expenditure		
(a)	Overdue fine	3,672.86	644.21
(b)	Loss of disposal of fixed assets		34.85
(c)	Other expenditure	646.85	5,000.00
	Total	4,319.71	5,679.06

28. Income tax expense

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Income tax expense	1, 102, 315. 85	
	Total	1, 102, 315. 85	

VI. Cash Flows

Adjust net profit to operating cash flow in an indirect method:

Item	This year	Last year
<b>① Reconciliation of net profit/(loss) to cash flows from operating activities:</b>		
Net profit	3, 275, 024. 21	2, 923, 533. 09
Minus: loss on unconfirmed investment		
Plus: Impairment provision for assets	99, 050. 00	
Depreciation of fixed assets, oil & gas asset depletion, depreciation of productive biological assets	2, 741, 778. 33	2, 320, 926. 14
Amortization of intangible assets	48, 912. 00	48, 912. 00
Amortization of long-term prepaid expenses	696, 777. 49	258, 898. 39
Decrease in deferred expenses (minus sign representing increase)		
Increase in accrued expenses (minus sign representing decrease)		
Loss on disposal of fixed assets, intangible assets and others (minus sign representing gains)		-11, 819. 57
Losses on disposal of fixed assets (minus sign representing gains)		
Losses on the changes in fair value (minus sign representing gains)		
Financial expenses (minus sign representing	3, 062, 773. 32	3, 183, 866. 05



ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2019

gains)		
Losses arising from investments (minus sign representing gains)		
Decrease of deferred income tax assets (minus sign representing increase)		
Increase of deferred income tax liabilities (minus sign representing decrease)		
Decrease in inventories (minus sign representing increase)	121,841.83	-3,850,217.94
Decrease in operating receivables (minus sign representing increase)	-6,197,652.43	-5,686,208.80
Increase in operating payables (minus sign representing decrease)	1,993,293.46	6,157,844.00
Others	560,560.82	-82,112.26
Net cash flows from operating activities	6,402,359.03	5,263,621.10
<b>② Important investing and financing activities that irrelevant with cash receipts and payment</b>		
Conversion of debt into capital		
Reclassification of convertible bonds expiring within one year as current liability		
Financial leasing of fixed assets		
<b>③ Change on Cash and Cash Equivalents:</b>		
Closing balance of cash	452,471.22	1,479,520.89
Minus: Opening balance of cash	1,479,520.89	1,833,479.39
Add: Closing balance of cash equivalents		
Minus: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	-1,027,049.67	-353,958.50

**VII. Related party & related-party transaction**

1. Related party

Name of related company	Relationship
TECHNOCRAFT INDUSTRIES (INDIA)	Parent company

2. Related-party transaction

The transactions between related-party in 2019 are as follows:

(1) Purchase

Name	This year	Last year
TECHNOCRAFT INDUSTRIES (INDIA)	10,696,488.87	9,106,927.56
Total	10,696,488.87	9,106,927.56

(2) Sales

Name	This year	Last year
TECHNOCRAFT INDUSTRIES (INDIA)	16,624,353.89	2,142,341.06
Total	16,624,353.89	2,142,341.06

(3) Contacts

Item	Ending balance	Beginning balance
① Accounts receivable		
TECHNOCRAFT INDUSTRIES (INDIA)	210,237.41	1,745,344.12
② Short-term borrowing		
TECHNOCRAFT INDUSTRIES (INDIA)	6,766,914.00	6,657,304.00
③ Accounts payable		
TECHNOCRAFT INDUSTRIES (INDIA)	7,680,823.41	7,028,032.54
④ Interest payable		
TECHNOCRAFT INDUSTRIES (INDIA)	30,748.30	210,120.97

VIII. Commitment

None.

IX. Subsequent events

None.

**X. Additional statement**

In this period, there is no provision for bad-debt, inventory falling price, fixed assets depreciation or long-term equity investment depreciation.

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

March 24, 2020



TECHNOCRAFT NZ LIMITED,  
NEW ZEALAND

# Annual Report

TECHNOCRAFT NZ LIMITED  
For the year ended 31 March 2020

Prepared by Orb360 Chartered Accountants

## Contents

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# Compilation Report

## TECHNOCRAFT NZ LIMITED For the year ended 31 March 2020

Compilation Report to the Directors of TECHNOCRAFT NZ LIMITED.

### Scope

On the basis of information provided and in accordance with Service Engagement Standard 2 Compilation of Financial Information, we have compiled the financial statements of TECHNOCRAFT NZ LIMITED for the year ended 31 March 2020.

These statements have been prepared in accordance with the accounting policies described in the Notes to these financial statements.

### Responsibilities

The Directors are solely responsible for the information contained in the financial statements and have determined that the Special Purpose Reporting Framework used is appropriate to meet your needs and for the purpose that the financial statements were prepared.

The financial statements were prepared exclusively for your benefit. We do not accept responsibility to any other person for the contents of the financial statements.

### No Audit or Review Engagement Undertaken

Our procedures use accounting expertise to undertake the compilation of the financial statements from information you provided. Our procedures do not include verification or validation procedures. No audit or review engagement has been performed and accordingly no assurance is expressed.

### Independence

We have no involvement with TECHNOCRAFT NZ LIMITED other than for the preparation of financial statements and management reports and offering advice based on the financial information provided.

### Disclaimer

We have compiled these financial statements based on information provided which has not been subject to an audit or review engagement. Accordingly, we do not accept any responsibility for the reliability, accuracy or completeness of the compiled financial information contained in the financial statements. Nor do we accept any liability of any kind whatsoever, including liability by reason of negligence, to any person for losses incurred as a result of placing reliance on these financial statements.

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### Orb360 Limited

Level 2, 119 Queens Drive,

Lower Hutt 5010.

Dated: 3 July 2020

## Directory

### **TECHNOCRAFT NZ LIMITED** **For the year ended 31 March 2020**

#### **Nature of Business**

Scaffolding Construction

#### **Registered Office**

128 Mauku Road, Patumahoe, Patumahoe, New Zealand, 2678

#### **Incorporation Number**

7169213

#### **New Zealand Business Number**

9429047176959

#### **IRD Number**

128-272-712

#### **Directors**

Ashok Thukra Amin  
Sita Ram Saini

#### **Chartered Accountant**

Orb360 Limited

#### **Bankers**

ANZ Bank



# Approval of Financial Report

**TECHNOCRAFT NZ LIMITED**

**For the year ended 31 March 2020**

The Directors are pleased to present the approved financial report including the historical financial statements of TECHNOCRAFT NZ LIMITED for year ended 31 March 2020.

APPROVED

For and on behalf of the Board of Directors.

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Ashok Thukra Amin

Date .....

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Sita Ram Saini

Date .....

## Statement of Profit or Loss

### TECHNOCRAFT NZ LIMITED

For the year ended 31 March 2020

	2020	NOTES	2019
<b>Trading Income</b>			
Hire Purchase	304,883		-
Sales	685,405		-
<b>Total Trading Income</b>	<b>990,288</b>		<b>-</b>
<b>Cost of Sales</b>			
Opening Stock	472,955		-
Cost of Goods Sold	228,526		-
Closing Stock	(4,288,970)		(472,955)
Purchases	4,399,745		472,955
<b>Total Cost of Sales</b>	<b>812,257</b>		<b>-</b>
<b>Gross Profit</b>	<b>178,031</b>		<b>-</b>
<b>Other Income</b>			
Interest Income	7		-
<b>Total Other Income</b>	<b>7</b>		<b>-</b>
<b>Expenses</b>			
Bank Fees	361		10
Consulting & Accounting	4,890		750
Foreign Currency Gains and Losses	274,156		-
Freight & Courier	137,192		2,014
Insurance	2,688		-
Interest Expense	22,708		-
Legal expenses	2,593		-
Rent	30,000		-
Subscriptions	576		-
Travel and Accommodation	1,130		-
<b>Total Expenses</b>	<b>476,294</b>		<b>2,774</b>
<b>Net Profit (Loss) Before Taxation</b>	<b>(298,255)</b>		<b>(2,774)</b>
<b>Net Profit (Loss) for the Year</b>	<b>(298,255)</b>		<b>(2,774)</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

# Balance Sheet

## TECHNOCRAFT NZ LIMITED As at 31 March 2020

	31 MAR 2020	NOTES	31 MAR 2019
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash and Bank</b>			
Business Current Account	37,522		7,264
<b>Total Cash and Bank</b>	<b>37,522</b>		<b>7,264</b>
Trade and Other Receivables	441,874		100,000
GST Receivable	-		6,891
<b>Inventories</b>			
<b>Inventories</b>			
Hire Purchase Stock	214,119		-
Inventory	4,288,970		472,955
Stock on Hand	(442,646)		-
<b>Total Inventories</b>	<b>4,060,443</b>		<b>472,955</b>
<b>Total Inventories</b>	<b>4,060,443</b>		<b>472,955</b>
<b>Total Current Assets</b>	<b>4,539,839</b>		<b>587,111</b>
<b>Total Assets</b>	<b>4,539,839</b>		<b>587,111</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	4,468,278		489,885
GST Payable	22,591		-
<b>Total Current Liabilities</b>	<b>4,490,868</b>		<b>489,885</b>
<b>Non-Current Liabilities</b>			
Loan from Technocraft Industries (India) Limited	250,000		-
<b>Total Non-Current Liabilities</b>	<b>250,000</b>		<b>-</b>
<b>Total Liabilities</b>	<b>4,740,868</b>		<b>489,885</b>
<b>Net Assets</b>	<b>(201,030)</b>		<b>97,226</b>
<b>Equity</b>			
Share Capital	100,000		100,000
<b>Retained Earnings</b>			
Retained earnings/Accumulated funds	(2,774)		-
Current year earnings	(298,255)		(2,774)
<b>Total Retained Earnings</b>	<b>(301,030)</b>		<b>(2,774)</b>
<b>Total Equity</b>	<b>(201,030)</b>		<b>97,226</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

## Statement of Changes in Equity

TECHNOCRAFT NZ LIMITED

For the year ended 31 March 2020

	2020	2019
<b>Equity</b>		
Opening Balance	97,226	-
<b>Increases</b>		
Profit for the Period	(298,255)	(2,774)
Share Capital	-	100,000
<b>Total Increases</b>	<b>(298,255)</b>	<b>97,226</b>
<b>Total Equity</b>	<b>(201,030)</b>	<b>97,226</b>

These financial statements have been prepared without conducting an audit or review engagement, and should be read in conjunction with the attached Compilation Report.

# Notes to the Financial Statements

## TECHNOCRAFT NZ LIMITED

### For the year ended 31 March 2020

#### 1. Reporting Entity

TECHNOCRAFT NZ LIMITED is a company incorporated under the Companies Act 1993 and is engaged in the business of Scaffolding Construction

This special purpose financial report was authorised for issue in accordance with a resolution of directors dated 3 July 2020.

#### 2. Statement of Accounting Policies

##### Basis of Preparation

These financial statements have been prepared in accordance with the Special Purpose Framework for use by For-Profit Entities (SPFR for FPEs) published by Chartered Accountants Australia and New Zealand.

##### Historical Cost

These financial statements have been prepared on a historical cost basis. The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest NZ\$, except when otherwise indicated.

##### Changes in Accounting Policies

There have been no changes in accounting policies. Policies have been applied on a consistent basis with those of the previous reporting period.

##### Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, excluding goods and services tax rebates and discounts, to the extent it is probable that the economic benefits will flow to the entity and revenue can be reliably measured.

Sales of services are recognised in the period by reference to the stage of completion of the transaction at the end of the reporting period.

Lease income is recognised on a straight line basis over the life of the lease.

Interest received is recognised as interest accrues, gross of refundable tax credits received.

##### Inventories (When using Xero Inventory)

Inventory is stated at the lower of cost, determined on a historical average cost basis and net realisable value.

The cost of work in progress and finished goods includes the cost of direct materials, direct labour and a proportion of the manufacturing overhead, based on the normal capacity of the facilities, expended in putting the inventories in their present location and condition.

##### Income Tax

Income tax is accounted for using the taxes payable method. The income tax expense in profit or loss represents the estimated current obligation payable to Inland Revenue in respect of each reporting period after adjusting for any variances between estimated and actual income tax payable in the prior reporting period.

### Goods and Services Tax

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

### Going Concern

These financial statements have been prepared on the basis that the company is a going concern.

### Audit

These financial statements have not been audited.

### Insolvency

Company has negative equity which makes the company insolvent. The Directors of the company are personally liable if they continue to trade while insolvent.

	2020	2019
<b>3. Income Tax Expense</b>		
Net Profit (Loss) Before Tax	(298,255)	(2,774)
<b>Additions to Taxable Profit</b>		
Unrealised Currency Gains	264,072	-
<b>Total Additions to Taxable Profit</b>	<b>264,072</b>	<b>-</b>
<b>Deductions from Taxable Profit</b>		
Losses Carried Forward	-	-
<b>Total Deductions from Taxable Profit</b>	<b>-</b>	<b>-</b>
Taxable Profit (Loss)	(34,183)	(2,774)
Tax Payable at 28%	-	-
Income Tax Payable (Refund Due)	-	-
	2020	2019

### 4. Inventory

<b>Assets</b>		
Hire Purchase Stock	214,119	-
Inventory	4,288,970	472,955
Stock on Hand	(442,646)	-
<b>Total Assets</b>	<b>4,060,443</b>	<b>472,955</b>
<b>Total Inventory</b>	<b>4,060,443</b>	<b>472,955</b>

HIGHMARK INTERNATIONAL  
TRADING FZE,  
UAE

**Highmark International Trading FZE****Balance Sheet**

1-Apr-2019 to 31-Mar-2020

<b>Liabilities</b>	<b>Amount in AED</b>	<b>Assets</b>	<b>Amount in AED</b>
<b>Capital Account</b>	<b>2,00,000</b>	<b>Fixed Assets</b>	<b>1,37,40,579</b>
Capital Account	2,00,000	Fixed Assets (Office/Initial Set Up)	8,403
<b>Loans (Liability)</b>	<b>42,42,977</b>	Houston Land	44,45,446
Mr. Ashish Kumar Saraf	-	Houston Warehouse	72,24,099
MR.SHARADKUMAR SARAF	-	Investment in Properties - Residence	46,11,540
TIL - UK	42,42,977	Provision for Depreciation - Houston Warehouse	(8,67,698)
<b>Current Liabilities</b>	<b>22,94,049</b>	Provision for Depreciation - The Residence UAE	(16,81,212)
Duties & Taxes	-	<b>Investments</b>	<b>-</b>
Sundry Creditors	22,23,883	Investment in Shares of Swift Engineering	-
Advance Rent Received	51,667	New Property at Sky View (Under Construction)	-
Deposit Received	8,000	<b>Current Assets</b>	<b>58,47,449</b>
Puthran CA Auditors	10,500	Closing Stock	-
Technocraft International Limited UK	-	Deposits (Asset)	11,820
		Loans & Advances (Asset)	8,78,219
		Sundry Debtors	44,56,731
		Cash-in-hand	-
		Bank Accounts	2,26,267
		AAIT/Technocraft Rental	40
		Consultancy Fees Receivable - AAIT	-
		Consultancy Fees Receivable - TAPL	93,791
		Highmark Property Management Corporation	22,582
		Prepaid Expenses on Property	-
		TAPL Commission Receiveable	1,57,999
<b>Profit &amp; Loss A/c</b>	<b>1,28,51,001</b>		
Opening Balance	1,11,35,465		
Current Period	17,15,536		
<b>Total</b>	<b>1,95,88,028</b>	<b>Total</b>	<b>1,95,88,028</b>



## Highmark International Trading FZE

### Profit & Loss A/c

1-Apr-2019 to 31-Mar-2020

Particulars	Amount in AED	Particulars	Amount in AED
<b>Purchase Accounts</b>	<b>1,17,84,063</b>	<b>Sales Accounts</b>	<b>1,20,22,978</b>
Discount Received	-	Discount Given	-
Purchase Account...	1,17,84,063	Sales Account	1,20,22,978
<b>Gross Profit c/o</b>	<b>2,38,915</b>		
	<b>1,20,22,978</b>		<b>1,20,22,978</b>
		<b>Gross Profit b/f</b>	<b>2,38,915</b>
<b>Indirect Expenses</b>	<b>13,99,709</b>	<b>Indirect Incomes</b>	<b>28,76,331</b>
Amitraj Salary	60,000	Compensation Received	-
Audit Fees	10,500	Fees Income	15,60,813
Bank Charges	5,722	Other Incomes	6,400
Depreciation on The Residence Property-UAE	3,07,590	Rental Income - Houston	11,49,952
Depreication on The Houston Warehouse Property-USA	4,81,608	Rental Income - Residence	1,59,167
Expenses on Property - Houston	12,507		
Expenses on Property - Residence	37,858		
Forex Gain / Loss	92,482		
HPMC Manager Fees	11,018		
Interest on Loan - UK	1,52,504		
Legal & Professional Fees	38,356		
Loss on Disposal of Investment ( Swift Engg)	-		
Miscellaneous Charges	365		
Mobile Expenses	1,396		
Printing & Stationeries	321		
Staff Welfare Expenses	12,642		
Sundry Balances Written Off	5		
Tax on Property(Houston)	1,66,213		
Telephone & Internet	884		
Travelling & Conveyance	6,869		
VAT on Input ( VAT on Purchase) 5%	870		
Warehousing Charges	-		
<b>Nett Profit</b>	<b>17,15,536</b>		
<b>Total</b>	<b>31,15,246</b>	<b>Total</b>	<b>31,15,246</b>

AAIT / TECHNOCRAFT SCAFFOLD  
DISTRIBUTION LLC,  
USA

AAIT/ Technocraft Scaffold Distribution LLC  
**Balance Sheet**  
As of December 31, 2019

	USD
	<u>Dec 31, 19</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Bank of America - 0950	2,88,894.18
Bank of America - 1497	924.72
Bank of America - 5363	2.71
Bank of America - 5486	1,02,233.94
Citibank - 9982	<u>1,087.28</u>
<b>Total Checking/Savings</b>	<b>3,93,142.83</b>
<b>Accounts Receivable</b>	
Accounts Receivable	<u>88,15,745.67</u>
<b>Total Accounts Receivable</b>	<b>88,15,745.67</b>
<b>Other Current Assets</b>	
1200 - INVENTARIO	1,80,84,796.43
Employee Advances	<u>617.20</u>
<b>Total Other Current Assets</b>	<b>1,80,85,413.63</b>
<b>Total Current Assets</b>	<b>2,72,94,302.13</b>
<b>Fixed Assets</b>	
Vehicles	51,170.74
Computer Equipment	14,145.47
Furniture and Equipment	22,673.70
Warehouse Equipment	1,36,604.81
Leasehold Improvements	48,290.98
Accumulated Depreciation	<u>-1,99,571.82</u>
<b>Total Fixed Assets</b>	<b>73,313.88</b>
<b>Other Assets</b>	
Prepaid Insurance	1,05,312.05
Loan Rec - Naval Logistics Inc	1,00,000.00
Deposit - Rent	21,000.00
Utility Deposits	600.64
Prepaid Int - LeaseDirect	636.66
Prepaid Int - Lease Corp/Amer	2,226.50
Prepaid Int - LeaseDirect #2	1,706.37
Organization Costs	31,952.38
Accumulated Amortization	<u>-15,249.00</u>
<b>Total Other Assets</b>	<b>2,48,185.60</b>
<b>TOTAL ASSETS</b>	<b><u>2,76,15,801.61</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	<u>1,56,80,523.52</u>
<b>Total Accounts Payable</b>	<b>1,56,80,523.52</b>
<b>Credit Cards</b>	
Bank of America 5083	<u>1,31,780.18</u>
<b>Total Credit Cards</b>	<b>1,31,780.18</b>
<b>Other Current Liabilities</b>	
Child Support Garnishment	1,391.55
Payroll Liabilities	161.75
Sales Tax Payable	54,106.86
Accrued Payroll Payable	1,840.86
State Income Tax Payable	<u>1,46,527.00</u>
<b>Total Other Current Liabilities</b>	<b>2,04,028.02</b>
<b>Total Current Liabilities</b>	<b>1,60,16,331.72</b>
<b>Long Term Liabilities</b>	
Note Pay - Citibank LOC	93,62,129.96
Note Pay - LeaseDirect \$674.20	5,336.42
Note Pay - Lease Corp - \$1,248.	12,482.00
Note Pay - LeaseDirect \$561.77	<u>15,848.73</u>
<b>Total Long Term Liabilities</b>	<b>93,95,797.11</b>
<b>Total Liabilities</b>	<b>2,54,12,128.83</b>
<b>Equity</b>	
Capital Stock	100.00
Retained Earnings	9,57,795.32
Net Income	<u>12,45,777.46</u>
<b>Total Equity</b>	<b>22,03,672.78</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>2,76,15,801.61</u></b>

	<u>USD</u>
	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
4000 - SALES INCOME	2,78,19,434.94
Service Charge	48,469.19
Service Fees	391.24
Gross Sales	3,417.16
Interest Income	74.58
Reimbursement	66.14
Refunds	42,874.28
<b>Total Income</b>	<b>2,79,14,727.53</b>
Cost of Goods Sold	
Purchases	1,99,89,162.97
Direct to Customer Purchases	17,64,243.72
Freight & Shipping Expenses	3,50,883.53
Customs & Duty Fees, Import Tax	4,86,319.26
Cost of Goods Sold	8,964.11
<b>Total COGS</b>	<b>2,25,99,373.59</b>
<b>Gross Profit</b>	<b>53,15,353.94</b>
Expense	
E-Commerce	19,549.13
Alarm	626.56
Advertising	2,10,739.95
Accounting	10,800.00
Auto and Truck Expenses	
Service & Maintenance	16,400.97
Fuel - Truck	14,984.29
Fuel - Eduard	2,003.39
Fuel - Ramesh	219.80
Fuel - Chapman	78.68
Fuel - John	86.49
Fuel - Justin	2,485.85
Fuel - Sammy	119.42
Allowance - John	5,750.00
Allowance - Justin	4,650.00
Allowance - Ramesh	1,800.00
Allowance - Chapman	5,950.00
Parking and Tolls	6,917.09
<b>Total Auto and Truck Expenses</b>	<b>61,445.98</b>
Bank Service Charges	12,195.08
Business Licenses and Permits	371.14
Casual Labor	4,404.00
Cell Phone	1,144.07
Charitable Contributions	2,238.00
Cleaning and Janitorial	12,240.00
Commissions	
Steve	26,899.08
Rafael	724.70
Commissions - Other	353.46
<b>Total Commissions</b>	<b>27,977.24</b>
Computer Expenses	
Office	239.05
Computer Expenses-John	129.98
<b>Total Computer Expenses</b>	<b>369.03</b>
Credit Card Processing Fees	510.12
Equipment Rental	70,191.95
Insurance Expense	
Vehicle	7,401.27
Liability Insurance	1,92,768.70
Workers Compensation	2,766.00
Ins - Chapman	3,650.00
Ins - John	3,850.00
Ins - Justin	2,750.00
<b>Total Insurance Expense</b>	<b>2,13,185.97</b>
Interest Expense	3,22,306.07
Internet	4,639.45
Legal & Professional Fees	18,074.00
Licenses and Fees	1,90,963.03
Meals and Entertainment	
Meals and Entertainment -Rafael	596.53
Meals and Entertainment-Eduard	10,431.24
Meals and Entertainment-John	4,775.14
Meals and Entertainment - Justin	3,747.86
Meals and Entertainment-Ramesh	991.70
Meals & Entertainment - Chapman	2,141.07
Meals and Entertainment - Sammy	1,674.65
<b>Total Meals and Entertainment</b>	<b>24,358.19</b>
Medical Expense	600.00
Office Supplies & Expenses	
Office Supplies-Eduard	3,838.43
Office Supplies-John	4,498.83
Office Supplies-Ramesh	2,323.58
Office Supplies - Chapman	503.63
Office	4,736.09
<b>Total Office Supplies &amp; Expenses</b>	<b>15,900.56</b>
Professional Fees	
Consulting Fees	4,66,380.40
Outside Services	13,256.00
Training	510.00
Ramesh	18.66
Sammy	4,436.95
<b>Total Professional Fees</b>	<b>4,84,602.01</b>
Rent Expense	3,23,521.50
Repairs and Maintenance	39,032.42
Shipping	
Shipping - Justin	42.57
Shipping-Eduard	320.40
Shipping-John	4,483.59
Shipping-Ramesh	347.24
Drum Closure	1,158.46
Shipping - Other	61.56
<b>Total Shipping</b>	<b>6,413.82</b>
Taxes	
Social Security/Medicare	63,066.40
Federal Unemployment	641.38
Unemployment - FL	756.00

**AAIT/ Technocraft Scaffold Distribution LLC**  
**Profit Loss Account**

	<u>USD</u>
	<u>Jan - Dec 19</u>
Unemployment - TX	417.01
Property	2,10,016.25
<b>Total Taxes</b>	<b>2,74,897.04</b>
<b>Telephone Expense</b>	
John	539.52
Justin	960.00
Office / Cellular	4,483.00
<b>Total Telephone Expense</b>	<b>5,982.52</b>
<b>Travel</b>	
Rafael	2,782.87
Office	12,516.55
Justin	8,788.12
Eduard	41,579.30
John	20,294.59
Ramesh	1,577.21
Chapman	9,875.49
Sammy	2,615.54
<b>Total Travel</b>	<b>1,00,029.67</b>
Utilities	6,955.28
Warehouse Expenses	37,914.04
<b>Wages</b>	
Officer	1,12,500.00
Others	9,36,248.86
<b>Total Wages</b>	<b>10,48,748.86</b>
<b>Total Expense</b>	<b>35,52,926.68</b>
<b>Net Ordinary Income</b>	<b>17,62,427.26</b>
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Other Income	-7,397.33
Interest Inc - Naval Logistics	5,785.00
<b>Total Other Income</b>	<b>-1,612.33</b>
<b>Other Expense</b>	
Depreciation Expense	24,705.00
Amortization Expense	2,258.00
Federal Income Tax Expense	3,41,547.80
State Income Tax Expense	1,46,526.67
<b>Total Other Expense</b>	<b>5,15,037.47</b>
<b>Net Other Income</b>	<b>-5,16,649.80</b>
<b>Net Income</b>	<b>12,45,777.46</b>

TECHNOSOFT ENGINEERING, INC,  
USA

**Technosoft Engineering Inc. Balance Sheet**  
As of December 31, 2019

USD	
Dec 31, 19	
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
1000 · Cash	98,464
<b>Total Checking/Savings</b>	<b>98,464</b>
Accounts Receivable	
1210 · Accounts Receivable-Trade	18,83,709
<b>Total Accounts Receivable</b>	<b>18,83,709</b>
<b>Other Current Assets</b>	
1400 · Other Receivables	11,10,294
1500 · Prepaid Exp	1,12,436
<b>Total Other Current Assets</b>	<b>12,22,730</b>
<b>Total Current Assets</b>	<b>32,04,903</b>
<b>Fixed Assets</b>	
1800 · Fixed Assets	3,91,116
1900 · Accum. Depr.	-3,72,935
<b>Total Fixed Assets</b>	<b>18,181</b>
<b>Other Assets</b>	
1996 · Investment in Tech. Innovation	5,000
1998 · Step Engineering	0
1999 · Investment in Tech. Services	10,000
<b>Total Other Assets</b>	<b>15,000</b>
<b>TOTAL ASSETS</b>	<b>32,38,084</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
2010 · Accounts Payable-Trade	14,72,686
<b>Total Accounts Payable</b>	<b>14,72,686</b>
Credit Cards	
American Express	47,570
<b>Total Credit Cards</b>	<b>47,570</b>
Other Current Liabilities	
2200 · Accrued Expenses	-3,351
2300 · Accrued Payroll	93,781
2370 · NY PFL Tax	194
2410 · Line of Credit	5,88,574
2620 · Debtor Advance	21,450
<b>Total Other Current Liabilities</b>	<b>7,00,648</b>
<b>Total Current Liabilities</b>	<b>22,20,904</b>
<b>Total Liabilities</b>	<b>22,20,904</b>
<b>Equity</b>	
3010 · Capital Stock	1,30,000
3020 · Treasury Stock	-4,20,705
3510 · Retained Earnings	11,75,065
Net Income	1,32,820
<b>Total Equity</b>	<b>10,17,180</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>32,38,084</b>

**Technosoft Engineering Inc. Monthly Profit Loss**  
January through December 2019

	USD
	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
4110 · Project Revenue	25,83,373
4115 · Technosoft Offshore	11,89,990
4310 · On-Site Revenue	46,76,791
4510 · Perm Placement Revenue	4,000
4710 · Reimb Revenue	4,15,854
<b>Total Income</b>	<b>88,70,008</b>
Cost of Goods Sold	
5010 · Labor-Direct	30,88,860
5110 · P/R Taxes-FICA	1,93,275
5120 · P/R Taxes-Unemployment	12,079
5210 · Insurance-Health & Life	1,99,924
5220 · Insurance-LTD & STD	7,447
5240 · Dental/Eye Expense	4,886
5410 · Visa Expenses	1,71,590
5460 · Travel - Indirect	1,60,568
5630 · Software Maintenance	3,668
5685 · AM Incentive	12,348
5810 · Technosoft Outsource	34,35,244
<b>Total COGS</b>	<b>72,89,889</b>
<b>Gross Profit</b>	<b>15,80,119</b>
Expense	
6000 · Sales Expenses	
6010 · Salaries	44,155
6110 · P/R Taxes-FICA	3,038
6120 · P/R Taxes-Unemployment	321
6210 · Insurance-Health & Life	14,188
6220 · Insurance-LTD & STD	210
6310 · Travel	1,77,608
6570 · Marketing Expense	16,753
6710 · Sales Cloud Software Expense	34,821
6801 · Sales and Recruitment Support	5,89,425
<b>Total 6000 · Sales Expenses</b>	<b>8,80,519</b>
7000 · Recruiting Exp	
7510 · Recruiting & Employment Costs	41,957
<b>Total 7000 · Recruiting Exp</b>	<b>41,957</b>
8000 · Admin Exp	
8010 · Salaries	69,259
8110 · P/R Taxes-FICA	5,154
8120 · P/R Taxes-Unemployment	643
8210 · Insurance-Health & Life	8,441
8220 · Insurance-LTD & STD	352
8240 · Dental/Eye Expense	185
8310 · Travel	73,308
8320 · Meals & Entertainment	151
8410 · 401K Admin Charges	1,100
8420 · Payroll Processing Charges	9,367
8440 · Employee Specialty Expense	186
8510 · Professional Fees	7,611
8520 · State Filing fees	3,537
8530 · Bank Charges	12,752
8610 · Office Supplies	1,392
8630 · Maintenance-Off. Equip- SW	2,026
8640 · Postage	11,961
8660 · IT Infrastructure	13,543
8725 · Rent	47,343
8750 · Telephone-Basic	27,111
8755 · Telephone-Cellular	14,378
8770 · Insurance	
8772 · Property & Liability	43,823
8774 · Insurance-Workers' Comp	745
8776 · E & O Insurance	46,927
<b>Total 8770 · Insurance</b>	<b>91,495</b>
<b>Total 8000 · Admin Exp</b>	<b>4,01,295</b>
8900 · Management Expenses	
8910 · Consulting Contracts	18,000
8900 · Management Expenses - Other	2,95,000
<b>Total 8900 · Management Expenses</b>	<b>3,13,000</b>
<b>Total Expense</b>	<b>16,36,771</b>
<b>Net Ordinary Income</b>	<b>-56,652</b>
Other Income/Expense	
Other Income	
9200 · Income/(Loss) JV	2,26,572
9240 · Exchange Gain / Loss	-5,789
9250 · Interest Income	3,489
<b>Total Other Income</b>	<b>2,24,272</b>
Other Expense	
9010 · Interest Expense	34,801
<b>Total Other Expense</b>	<b>34,801</b>
<b>Net Other Income</b>	<b>1,89,471</b>
<b>Net Income</b>	<b>1,32,819</b>



TECHNOSOFT ENGINEERING  
UK LTD,  
UK

# Balance Sheet

As of December 31, 2019

	<b>Total (GBP)</b>
<b>Fixed Asset</b>	
<b>Tangible assets</b>	
1800 - Fixed Assets	
1820 - Computer Hardware	241.64
<b>Total 1800 - Fixed Assets</b>	<b>£ 241.64</b>
1860 - Laptop	846.45
1900 - Accum. Depr.	
1920 - Accum Depr-Computer Hardware	-724.76
<b>Total 1900 - Accum. Depr.</b>	<b>-£ 724.76</b>
<b>Total Tangible assets</b>	<b>£ 363.33</b>
<b>Total Fixed Asset</b>	<b>£ 363.33</b>
<b>Cash at bank and in hand</b>	
1000 - Cash	
1050 - Checking - Citibank General	64,043.39
1070 - Cash-Payroll Clearing Account	-29,014.26
<b>Total 1000 - Cash</b>	<b>£ 35,029.13</b>
<b>Total Cash at bank and in hand</b>	<b>£ 35,029.13</b>
<b>Debtors</b>	
Debtors	90,410.99
Debtors - EUR	2,267.76
Debtors - USD	0.00
<b>Total Debtors</b>	<b>£ 92,678.75</b>
<b>Current Assets</b>	
1210 - Accounts Receivable-Trade	0.00
1400 - Other receivables	
1410 - Employee Advances	800.00
1450 - Receivable-Technosoft Engineering Inc	0.00
<b>Total 1400 - Other receivables</b>	<b>£ 800.00</b>
1500 - Prepaid Exp	
1510 - Prepaid Insurance	118.00
1520 - Prepaid Legal Fees/Visa Fees	3,516.28
1570 - Prepaid Rent	-46.33
1590 - Prepaid Other	3,980.00
<b>Total 1500 - Prepaid Exp</b>	<b>£ 7,567.95</b>
1600 - Security Deposits	479.15
Other debtors	311.47
<b>Total Current Assets</b>	<b>£ 9,158.57</b>
<b>Net current assets</b>	<b>£ 1,36,866.45</b>
<b>Creditors: amounts falling due within one year</b>	
<b>Trade Creditors</b>	
Creditors	15,288.26
<b>Total Trade Creditors</b>	<b>£ 15,288.26</b>
<b>Current Liabilities</b>	
2010 - Accounts Payable-Trade	239.96
2200 - Accrued Expenses	
2215 - Accrued Vendor Invoices	122.33
2250 - Accrued Income Tax	0.00
<b>Total 2200 - Accrued Expenses</b>	<b>£ 122.33</b>
2300 - Accrued Payroll	
2310 - Accrued Wages	0.00
2320 - Accrued Commissions	0.00
2330 - Accrued Payroll Taxes	8,389.81
2340 - NEST Pension	0.00
<b>Total 2300 - Accrued Payroll</b>	<b>£ 8,389.81</b>
2500 - Unsecured Loan	90,568.43
VAT Control	26,743.74

VAT Suspense		0.00
<b>Total Current Liabilities</b>	<b>£</b>	<b>1,26,064.27</b>
<b>Total Creditors: amounts falling due within one year</b>	<b>£</b>	<b>1,41,352.53</b>
<b>Net current assets (liabilities)</b>	<b>-£</b>	<b>4,486.08</b>
<b>Total assets less current liabilities</b>	<b>-£</b>	<b>4,122.75</b>
<b>Total net assets (liabilities)</b>	<b>-£</b>	<b>4,122.75</b>
<b>Capital and Reserves</b>		
Ordinary share capital		1.00
Retained Earnings		-4,948.40
Profit for the year		824.65
<b>Total Capital and Reserves</b>	<b>-£</b>	<b>4,122.75</b>

**Technosoft Engineering UK Limited**  
**Profit and Loss**

January - December 2019

	<b>Total (GBP)</b>
<b>Income</b>	
4110 - Project Revenue	4,711.80
4310 - On-Site Revenue	4,72,460.43
4710 - Reimb Revenue	0.00
<b>Total Income</b>	<b>£ 4,77,172.23</b>
<b>Cost of Sales</b>	
<b>Cost of Goods Sold</b>	
5010 - Labor-Direct	3,52,744.83
5110 - P/R Taxes-FICA	10,764.40
5410 - Visa Expenses	30,794.15
5810 - Technosoft Outsource	25,242.05
<b>Total Cost of Goods Sold</b>	<b>£ 4,19,545.43</b>
<b>Total Cost of Sales</b>	<b>£ 4,19,545.43</b>
<b>Gross Profit</b>	<b>£ 57,626.80</b>
<b>Expenses</b>	
<b>6000 - Sales Expenses</b>	
6010 - Salaries	20,641.04
6110 - Payroll Taxes	1,434.09
6270 - NEST Pension Employer Contribution	494.22
6310 - Travel	373.24
6330 - Telephone-Basic	1,462.18
6801 - Sales & Recruitment Support	180.00
<b>Total 6000 - Sales Expenses</b>	<b>£ 24,584.77</b>
<b>8000 - Admin Exp</b>	
8220 - Insurance	4,527.20
8510 - Professional Fees	11,348.00
8530 - Bank Charges	1,491.51
8610 - Office Supplies	397.20
8640 - Postage	7.30
8710 - Rent	5,680.65
8800 - Bad Debts	8,387.24
<b>Depreciation</b>	362.67
<b>Total 8000 - Admin Exp</b>	<b>£ 32,201.77</b>
<b>Total Expenses</b>	<b>£ 56,786.54</b>
<b>Net Operating Income</b>	<b>£ 840.26</b>
<b>Other Expenses</b>	
Unrealised Gain or Loss	0.00
Exchange Gain or Loss	15.61
<b>Total Other Expenses</b>	<b>£ 15.61</b>
<b>Net Other Income</b>	<b>-£ 15.61</b>
<b>Net Income</b>	<b>£ 824.65</b>

**TECHNOSOFT GMBH,  
GERMANY**

**Technosoft GMBH**  
**Balance Sheet**  
As of December 31, 2019

	<b>Total</b>
<b>Assets</b>	
<b>Current Assets</b>	
<b>Accounts receivable</b>	
Accounts Receivable	44,768.16
<b>Total Accounts receivable</b>	<b>€ 44,768.16</b>
<b>1000 - Cash</b>	
1030 - Petty Cash	0.00
1050 - Checking - Sparkasse Karlsruhe Bank	39,571.83
1055 - Dortmund 113100	0.00
1070 - Cash - Payroll Clearing Account	1,345.02
<b>Total 1000 - Cash</b>	<b>€ 40,916.85</b>
<b>1400 - Other Receivables</b>	
1410 - Employee Advances	0.00
1420 - Social Security Liabilities	1,302.70
1450 - Input Tax Ded. following period/year	703.00
<b>Total 1400 - Other Receivables</b>	<b>€ 2,005.70</b>
<b>1500 - Prepaid Exp.</b>	
1520 - Prepaid Legal Fees / Visa Fees	0.00
1530 - Prepaid Travel / Entry Expense	0.00
1590 - Prepaid Other	95.55
<b>Total 1500 - Prepaid Exp.</b>	<b>€ 95.55</b>
<b>Total Current Assets</b>	<b>€ 87,786.26</b>
<b>Total Assets</b>	<b>€ 87,786.26</b>
<b>Liabilities and shareholder's equity</b>	
<b>Current liabilities:</b>	
<b>Accounts payable</b>	
Accounts Payable (A/P)	50,250.29
<b>Total Accounts payable</b>	<b>€ 50,250.29</b>
<b>Master Card 5526 77402 0503 2449</b>	0.00
Chaitanya Raj Bhide - 5526 74XX XXXX 2653	403.41
Gunter Wiskot - 5526 74XX XXXX 2456	0.00
<b>Total Master Card 5526 77402 0503 2449</b>	<b>€ 403.41</b>
<b>2200 - Accrued Expenses</b>	
2215 - Accrued Vendor Invoices	480.00
<b>Total 2200 - Accrued Expenses</b>	<b>€ 480.00</b>
<b>2290 - Accrued Miscellaneous Expense</b>	0.00
<b>2300 - Accrued Payroll</b>	
2330 - Accrued Payroll Taxes	787.60
<b>Total 2300 - Accrued Payroll</b>	<b>€ 787.60</b>
<b>2310 - Accrued Wages</b>	0.00
<b>2320 - Accrued Commissions</b>	286.26
<b>2420 - Other Liability</b>	400.00
<b>2500 - Unsecured Loan</b>	1,30,000.00
<b>3000 - Provisions</b>	0.00
3010 - Other Provisions	837.68
<b>Total 3000 - Provisions</b>	<b>€ 837.68</b>
<b>VAT Payable</b>	53,716.53
<b>VAT Suspense</b>	-51,659.45
<b>Total current liabilities</b>	<b>€ 1,85,502.32</b>
<b>Shareholders' equity:</b>	
<b>Net Income</b>	-78,981.00
<b>2000 - Capital Reserve</b>	30,000.00
Loss Carried Forward	-72,888.85
Subscribed Capital	60,000.00
<b>Total 2000 - Capital Reserve</b>	<b>€ 17,111.15</b>
<b>Retained Earnings</b>	-35,846.21
<b>Total shareholders' equity</b>	<b>-€ 97,716.06</b>
<b>Total liabilities and equity</b>	<b>€ 87,786.26</b>

**Technosoft GMBH**  
**Profit and Loss**  
**January - December 2019**

	<b>Total</b>
<b>Income</b>	
4115 - Technosoft Offshore	79,217.30
4120 - ITES Technosoft	12,556.00
4310 - Onsite Revenue	76,378.80
<b>Total Income</b>	<b>€ 1,68,152.10</b>
<b>Cost of Sales</b>	
<b>Cost of sales</b>	
5010 - Labor-Direct	37,139.71
5210 - Insurance-Health & Life	8,105.20
5320 - Meals/Entertainment Expense	83.70
5460 - Travel - Indirect	6,124.40
5810 - Technosoft Outsource	87,762.40
<b>Total Cost of sales</b>	<b>€ 1,39,215.41</b>
<b>Total Cost of Sales</b>	<b>€ 1,39,215.41</b>
<b>Gross Profit</b>	<b>€ 28,936.69</b>
<b>Expenses</b>	
<b>6000 - Sales Expenses</b>	
6010 - Salaries	38,481.72
6020 - Sales Commissions	1,891.48
6210 - Insurance-Health & Life	8,582.40
6310 - Travel	17,814.59
6320 - Meals & Entertainment	1,729.47
6750 -Telephone-Basic	854.55
6801 - Sales & Recruitment Support	24,737.08
<b>Total 6000 - Sales Expenses</b>	<b>€ 94,091.29</b>
<b>8000 - Admin Exp</b>	
6510 - Letterhead/Business Cards	64.39
8320 - Meals & Entertainment	24.20
8510 - Professional fees	1,156.50
8530 - Bank charges	240.89
8560 - Legal fees	7,365.00
8610 - Office Supply	1,183.27
8660 - IT Infrastructure	21.50
8725 - Rent	1,620.85
8760 - Internet Charges	279.92
8770 - Insurance	645.23
<b>Total 8000 - Admin Exp</b>	<b>€ 12,601.75</b>
9010 - Interest Expense	1,224.65
<b>Total Expenses</b>	<b>€ 1,07,917.69</b>
<b>Net Earnings</b>	<b>-€ 78,981.00</b>

TECHNOSOFT INNOVATIONS INC,  
USA



**Technosoft Innovations Inc**  
**Balance Sheet**  
As of December 31, 2019

	Amt in USD Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
<b>1000 - Cash</b>	
1050 - Checking - Citibank	68,961.87
1060 - Checking - PNC	0.00
1070 - Cash - Payroll Clearing Account	0.00
<b>Total 1000 - Cash</b>	<b>\$ 68,961.87</b>
<b>Total Bank Accounts</b>	<b>\$ 68,961.87</b>
<b>Accounts Receivable</b>	
Accounts Receivable	6,01,384.08
<b>Total Accounts Receivable</b>	<b>\$ 6,01,384.08</b>
<b>Other Current Assets</b>	
<b>1400 - Other Receivables</b>	
1410 - Employee Advances	0.00
1450 - Receivable - Technosoft Engineering Projects Limited	0.00
1480 - Receivable - Debtors	36,557.60
1490 - Receivable - Technosoft Engineering Inc	0.00
<b>Total 1400 - Other Receivables</b>	<b>\$ 36,557.60</b>
<b>1500 - Prepaid Exp.</b>	
1520 - Prepaid Legal Fees / Visa Fees	0.00
1530 - Prepaid Travel / Entry Expense	0.00
1535 - Prepaid Printing Expenses	0.00
1536 - Prepaid Telephone Expenses	0.00
1537 - Prepaid Electricity Expenses	0.00
1538 - Prepaid Internet Charges	0.00
1540 - Prepaid Maintenance	0.00
1550 - Prepaid Moving Exp.	0.00
1555 - Prepaid Software	409.08
1565 - Prepaid Professional fees	2,750.00
1580 - Prepaid Exp-Billable to Client	26,375.83
1590 - Prepaid Other	2,00,754.20
1596 - Prepaid Advertisement Exp.	0.00
<b>Total 1500 - Prepaid Exp.</b>	<b>\$ 2,30,289.11</b>
<b>1600 - Security Deposit</b>	6,063.42
<b>1700 - Goodwill</b>	2,22,000.00
<b>1701 - Accum Depr-Goodwill</b>	-79,550.00
<b>1750 - Covenant not to compete</b>	50,000.00
<b>1751 - Accum Depr-Convenant</b>	-35,833.29
<b>Total Other Current Assets</b>	<b>\$ 4,29,526.84</b>
<b>Total Current Assets</b>	<b>\$ 10,99,872.79</b>
<b>Fixed Assets</b>	
<b>1800 - Fixed Assets</b>	
1810 - Furniture	22,300.00
1820 - Computer Hardware	31,141.48
1821 - Check Scanner	0.00
1830 - Computer Software	9,221.00
1860 - 3D Printer	9,340.69
1870 - Other Equipment	17,546.42

1891 - Television	1,178.66
1892 - Refrigerator	582.13
1893 - Microwave Oven	174.41
<b>Total 1800 - Fixed Assets</b>	<b>\$ 91,484.79</b>
<b>1900 - Accum. Depr.</b>	
1910 - Accum Depr-Furniture	-10,406.69
1920 - Accum Depr-Computer Hardware	-16,933.84
1930 - Accum Depr-Computer Software	-5,837.24
1960 - Accum. Depr-3D Printer	-6,694.19
1970 - Accum Depr.-Other Equipment	-11,370.24
1991 - Accum Depr.-Television	-550.08
1992 - Accum Depr.-Refrigerator	-271.69
1993 - Accum Depr.-Microwave Oven	-81.41
<b>Total 1900 - Accum. Depr.</b>	<b>-\$ 52,145.38</b>
<b>Total Fixed Assets</b>	<b>\$ 39,339.41</b>
<b>TOTAL ASSETS</b>	<b>\$ 11,39,212.20</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accounts Payable	7,82,587.31
<b>Total Accounts Payable</b>	<b>\$ 7,82,587.31</b>
<b>Other Current Liabilities</b>	
2010 - Accounts Payable-Trade	0.00
<b>2200 - Accrued Expenses</b>	
2215 - Accrued Vendor Invoices	2,076.57
2250 - Accrued Income Tax	0.00
2250 - Security Deposit	4,000.00
2270 - Anuva Earnout Payable	1,50,000.00
<b>Total 2200 - Accrued Expenses</b>	<b>\$ 1,56,076.57</b>
<b>2300 - Accrued Payroll</b>	
2310 - Accrued Wages	2,772.27
2320 - Accrued Commissions	1,088.56
2330 - Accrued Payroll Taxes	260.59
2340 - Withheld 401K	0.00
<b>Total 2300 - Accrued Payroll</b>	<b>\$ 4,121.42</b>
2400 - Debtors Advance	2,91,193.25
2500 - Unsecured Loan	9,15,000.00
<b>Total Other Current Liabilities</b>	<b>\$ 13,66,391.24</b>
<b>Total Current Liabilities</b>	<b>\$ 21,48,978.55</b>
<b>Total Liabilities</b>	<b>\$ 21,48,978.55</b>
<b>Equity</b>	
2000 - Share Capital	5,000.00
Retained Earnings	-3,65,568.67
Net Income	-6,49,197.68
<b>Total Equity</b>	<b>-\$ 10,09,766.35</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 11,39,212.20</b>

**Technosoft Innovations Inc**  
**Profit and Loss**  
**January - December 2019**

	<b>Amt in USD</b>
	<b>Total</b>
<b>Income</b>	
Billable Expense Income	14,259.91
Consulting Income	8,25,071.88
Markup	55,459.99
Material Income	3,68,849.10
<b>Total Income</b>	<b>\$ 12,63,640.88</b>
<b>Cost of Goods Sold</b>	
Cost of Goods Sold	
5010 - Labor-Direct	5,44,592.27
5110 - P/R Taxes-FICA	19,148.37
5120 - P/R Taxes-Unemployment	1,804.18
5210 - Insurance-Health & Life	20,937.27
5220 - Insurance-LTD & STD	710.81
5410 - Visa Expenses	7,736.53
5430-Material Purchase	3,78,902.45
5440 - Materials Purchase Non Billable	18,485.62
5460 - Travel - Indirect	36,297.37
5630 - Software Maintenance	5,203.40
5720 - Subcontractor Expense	1,44,599.57
5810 - Technosoft Outsource	6,875.00
<b>Total Cost of Goods Sold</b>	<b>\$ 11,85,292.84</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 11,85,292.84</b>
<b>Gross Profit</b>	<b>\$ 78,348.04</b>
<b>Expenses</b>	
Expense	
6000 - Sales Expenses	
6010 - Salaries	3,302.20
6110 - P/R Taxes-FICA	0.00
6120 - P/R Taxes-Unemployment	0.00
6210 - Insurance-Health & Life	858.30
6220 - Insurance-Ltd & STD	0.00
6310 - Travel	17,616.01
6320 - Meals & Entertainment	92.76
6500 - Marketing Expense	2,759.94
6550 -Convention/Trade Shows	950.00
6710 - Sales Cloud Software Expense	300.00
6801 - Sales & Recruitment Support	20,602.66
<b>Total 6000 - Sales Expenses</b>	<b>\$ 46,481.87</b>
8000 - Admin Exp	
8310 - Travel	42.88
8320 - Meals & Entertainment	514.64
8420 - Payroll Processing Charges	1,569.82
8510 - Professional Fees	1,45,951.52
8520 - State Filing Fees	252.29
8530 - Bank Charges	520.00
8610 - Office Supplies	8,448.56
8630 - Maintenance-Off.Equip-S/W	15,281.86
8640 - Postage	2,633.90
8650 - Postage - Billable	0.00
8660 - IT Infrastructure	4,574.75
8670 - Depreciation	46,359.24
8725 - Rent	1,23,093.20
8730 - Office Cleaning/Maintenance	17,732.23
8740 - Gas/Electric	17,430.52
8750 -Telephone-Basic	10,801.93
8760 - Internet Charges	2,158.00
8800 - Bad debts	1,93,698.51
<b>Total 8000 - Admin Exp</b>	<b>\$ 5,91,063.85</b>
8900 - Management Expenses	90,000.00
<b>Total Expense</b>	<b>\$ 7,27,545.72</b>
<b>Total Expenses</b>	<b>\$ 7,27,545.72</b>
<b>Net Operating Income</b>	<b>-\$ 6,49,197.68</b>
<b>Other Expenses</b>	
Unrealized Gain or Loss	0.00
<b>Total Other Expenses</b>	<b>\$ 0.00</b>
<b>Net Other Income</b>	<b>\$ 0.00</b>
<b>Net Income</b>	<b>-\$ 6,49,197.68</b>

TECHNOSOFT SERVICES INC,  
USA

# Technosoft Services Inc. Balance Sheet

As of December 31, 2019

	USD
	Dec 31, 19
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 Cash	
1050 Checking-Citi Bank General	24,622.42
<b>Total 1000 Cash</b>	24,622.42
<b>Total Checking/Savings</b>	24,622.42
<b>Accounts Receivable</b>	
1210 Accounts Receivable-Trad	2,01,777.58
<b>Total Accounts Receivable</b>	2,01,777.58
<b>Other Current Assets</b>	
1400 Other Receivables	
1410 Employee Advance	-600.00
<b>Total 1400 Other Receivables</b>	-600.00
1500 Prepaid Exp	
1520 Prepaid Legal Fees/Visa	0.00
1530 Prepaid Travel/Entry Exp	0.00
1575 Security Deposits	1,500.00
1590 Prepaid Other	1,500.00
<b>Total 1500 Prepaid Exp</b>	3,000.00
<b>Total Other Current Assets</b>	2,400.00
<b>Total Current Assets</b>	2,28,800.00
<b>TOTAL ASSETS</b>	<b>2,28,800.00</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2010 Accounts Payable-Trade	54,915.23
<b>Total Accounts Payable</b>	54,915.23
<b>Other Current Liabilities</b>	
2200 Accrued Expenses	
2250 Accrued Income Tax	0.00
<b>Total 2200 Accrued Expenses</b>	0.00
2300 Accrued Payroll	
2310 Accrued Wages	17,637.00
2330 Accrued Payroll Taxes	1,670.21
<b>Total 2300 Accrued Payroll</b>	19,307.21
2370 NY PFL TAX	0.00
<b>Total Other Current Liabilities</b>	19,307.21
<b>Total Current Liabilities</b>	74,222.44
<b>Total Liabilities</b>	74,222.44
<b>Equity</b>	
2000 Share Capital	10,000.00
Retained Earnings	80,087.54
Net Income	64,490.02
<b>Total Equity</b>	1,54,577.56
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,28,800.00</b>

**Technosoft Services Inc. Profit Loss**  
**January through December 2019**

	<b>USD</b>
	<b>Jan - Dec 19</b>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4315 Technosoft Onsite Revenue	11,29,370.25
4320 Contract Revenue	2,42,781.00
4510 Perm Placement Revenue	29,800.00
4710 Reimb Revenue	1,02,509.82
<b>Total Income</b>	<b>15,04,461.07</b>
<b>Cost of Goods Sold</b>	
5010 Labor-Direct	9,17,971.74
5110 P/R Taxes-FICA	58,758.55
5120 P/R Taxes-Unemployment	6,975.26
5210 Insurance-Health & Life	61,321.62
5220 Insurance-LTD & STD	2,379.55
5240 Dental/Eye Expense	1,545.48
5410 Visa Expenses	38,711.00
5460 Travel - Indirect	25,401.65
5685 AM Incentive	1,662.69
<b>Total COGS</b>	<b>11,14,727.54</b>
<b>Gross Profit</b>	<b>3,89,733.53</b>
<b>Expense</b>	
6000 Sales Expenses	
6801 Sales and Recruitment Su	1,87,570.35
<b>Total 6000 Sales Expenses</b>	<b>1,87,570.35</b>
8000 Admin Exp	
8420 Payroll Processing Charg	2,337.78
8520 State Filing fees	1,683.53
8530 Bank Charges	1,459.84
8540 Penalties	180.00
8640 Postage	12.01
8725 Rent	12,000.00
<b>Total 8000 Admin Exp</b>	<b>17,673.16</b>
8900 Management Expenses	1,20,000.00
<b>Total Expense</b>	<b>3,25,243.51</b>
<b>Net Ordinary Income</b>	<b>64,490.02</b>
<b>Net Income</b>	<b>64,490.02</b>