

*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, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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, 2021, 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 2021. 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>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, 2021 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 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: a) Sales growth rate; b) Operating margin; c) Working capital requirements; d) Capital expenditure; and e) Discount rate applied to the projected cash flows. The impairment test model includes sensitivity testing of key assumptions. 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>	<p>As a part of our audit we have, carried out the following procedures: a) We assessed the Company's methodology applied in determining the CGUs to which these assets are allocated. 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; c) We also assessed the recoverable value by performing sensitivity testing of key assumptions used. d) We tested the arithmetical accuracy of the models e) Performed analysis of the disclosures related to the impairment tests and their compliance with Indian Accounting Standard (Ind-AS).</p>

### **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:

- 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 2021 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company 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: 18<sup>th</sup> June 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN– 21104982AAAAAX4646**

## 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 2021, 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, 2021 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, 2021 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 (₹)</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: 18<sup>th</sup> June 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN- 21104982AAAAAX4646**

## **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 2021. 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 2021 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place of Signature: Mumbai  
Date: 18<sup>th</sup> June 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN- 21104982AAAAAX4646**

**TECHNOSOFT ENGINEERING PROJECTS LTD.**

(CIN: U72200MH2000PLC124541)

**BALANCE SHEET AS AT 31ST MARCH , 2021**

Particulars	Note No.	Amount in ₹	
		As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	55,466,781	63,996,574
Capital Work In Progress	3	2,022,839	-
Investment Properties	4	39,907,580	41,940,540
Intangible assets	5	3,510,073	6,219,352
Financial Assets			
Non Current Investments	6(a)	434,640,740	287,716,874
Others Financial Assets	6(b)	24,729,327	4,663,114
Deferred tax Asset (net)	7	17,315,651	22,602,307
Other Non - Current Assets	8	1,740,742	599,220
<b>Total Non - Current Assets</b>		<b>579,333,733</b>	<b>427,737,981</b>
<b>Current Assets</b>			
Financial Assets			
Current Investments	6(a)	132,056,298	73,810,713
Trade receivables	6(c)	29,000,668	100,426,353
Cash and cash equivalents	6(d)	29,334,239	17,716,719
Other Bank Balances	6(e)	-	20,100,000
Loans	6(f)	610,933	1,030,403
Others Financial Assets	6(b)	2,736,367	6,182,801
Current Tax Assets (Net)	9	-	1,463,389
Other Current Assets	10	21,912,051	8,535,894
<b>Total Current Assets</b>		<b>215,650,556</b>	<b>229,266,272</b>
<b>Total Assets</b>		<b>794,984,289</b>	<b>657,004,253</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	11(a)	5,950,110	5,950,110
Other Equity	11(b)	636,131,706	507,993,342
<b>Total Equity</b>		<b>642,081,816</b>	<b>513,943,452</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD.**  
(CIN: U72200MH2000PLC124541)

**BALANCE SHEET AS AT 31ST MARCH , 2021**

Particulars	Note No.	Amount in ₹	
		As at 31st March, 2021	As at 31st March, 2020
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Financial Liabilities			
Other financial liabilities	12(c)	7,607,026	15,532,867
Provisions	13	19,481,875	16,001,435
<b>Total Non - Current Liabilities</b>		<b>27,088,901</b>	<b>31,534,302</b>
<b>Current liabilities</b>			
Financial Liabilities			
Current Borrowings	12(a)	11,972,805	5,513,129
Trade payables	12(b)		
Total outstanding dues of Micro & Small Enterprises		-	-
Total Outstanding dues of creditors , other than Micro & Small Enterprise		7,264,188	3,668,551
Other financial liabilities	12(c)	87,616,981	99,498,061
Provisions	13	428,616	338,841
Current Tax Liabilities (Net)	14	14,716,224	-
Other current liabilities	15	3,814,758	2,507,917
<b>Total Current Liabilities</b>		<b>125,813,572</b>	<b>111,526,499</b>
<b>Total Equity and Liabilities</b>		<b>794,984,289</b>	<b>657,004,253</b>

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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

**TECHNOSOFT ENGINEERING PROJECTS LTD.**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Particulars	Note No.	Amount in ₹	
		Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>Income</b>			
Revenue From Operations	16	387,794,730	316,506,327
Other Income and Other Gains/(Losses)	17	79,877,252	60,939,334
<b>Total Income</b>		<b>467,671,982</b>	<b>377,445,661</b>
<b>Expenditures</b>			
Employee benefits expense	18	214,092,437	231,705,749
Finance costs	19	1,624,448	2,811,085
Depreciation and amortisation expenses	20	21,426,593	25,609,972
Other expenses	21	67,034,568	61,737,602
<b>Total expenses</b>		<b>304,178,046</b>	<b>321,864,408</b>
<b>Profit/(loss) before tax</b>		<b>163,493,936</b>	<b>55,581,253</b>
<b>Tax expense:</b>	22		
(1) Current tax		30,874,000	12,015,000
(2) Deferred tax		4,983,841	1,137,144
(3) Tax in respect of Earlier Years		398,087	360,849
<b>Total tax expenses</b>		<b>36,255,928</b>	<b>13,512,993</b>
<b>Profit for the year after tax</b>		<b>127,238,008</b>	<b>42,068,260</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of the net defined benefit Plans (net of tax)		900,356	328,283
<b>Other Comprehensive Income/(Loss) for the Year(net of tax)</b>		<b>900,356</b>	<b>328,283</b>
<b>Total Comprehensive Income for the year after tax</b>		<b>128,138,364</b>	<b>42,396,543</b>
<b>Earnings per equity share of Face Value of ₹ 10/- each</b>	23		
Basic		213.84	70.70
Diluted		213.84	70.70
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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

	Amount in ₹	
	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax	163,493,936	55,581,253
<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	12,036,354	17,227,802
Amortisation and impairment of intangible assets	2,032,960	6,245,504
Depreciation on investment properties	7,357,279	2,136,666
Unrealised Forex Loss/ (gain)	(1,667,552)	(5,330,505)
Interest Income	(1,519,874)	(1,782,358)
Interest Expenses	1,248,717	2,454,402
Rental Income	(29,065,224)	(38,879,182)
Gain on sale/fair valuation of Investments through profit & loss	(41,796,992)	(2,433,477)
Loss on sale/ fair valuation of Investments through profit & loss	142,275	-
<b>Operating Profit before Working capital Changes</b>	<b>112,261,879</b>	<b>35,220,105</b>
<b>Working capital adjustments</b>		
(Increase)/ Decrease in trade receivables	73,093,237	(9,160,524)
(Increase)/ Decrease in other receivables	(9,040,085)	4,360,837
Increase/ (Decrease) in trade and other payables	(26,548,784)	46,665,881
	<b>149,766,247</b>	<b>77,086,299</b>
Income Tax Net (Paid)/ Refund	3,666,960	(23,568,590)
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>153,433,207</b>	<b>53,517,709</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant and Equipment/Investment Properties / Intangible assets including Capital Work in Progress	(10,177,400)	(5,404,305)
Purchase of Investments	(182,500,000)	(47,500,000)
Proceeds from sale of Investments	18,985,266	6,390,600
Interest received	1,269,156	1,537,756
Rent Received	28,077,666	37,543,434
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	<b>(144,345,312)</b>	<b>(7,432,515)</b>
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :</b>		
Net Proceeds from loans and borrowings	6,459,676	(23,811,887)
Interest Charges Paid	(382,545)	(1,635,386)
Repayment of Lease Liabilities	(3,547,506)	(5,009,460)
<b>Net Cash Inflow/(Outflow) in the course of Financing Activities (C)</b>	<b>2,529,625</b>	<b>(30,456,733)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>11,617,520</b>	<b>15,628,461</b>
Cash and cash equivalents at the beginning of the year	17,716,719	2,088,258
<b>Cash and cash equivalents at the end of the year</b>	<b>29,334,239</b>	<b>17,716,719</b>



**TECHNOSOFT ENGINEERING PROJECTS LTD**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021**

**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>As at 31st March, 2021</b>	<b>As at 31st March, 2020</b>
Balances with Banks - In current accounts	29,184,082	17,616,098
Cash on Hand	150,157	100,621
<b>Cash and cash equivalents at the end of the year</b>	<b>29,334,239</b>	<b>17,716,719</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**

**V.L. BAJAJ**

PARTNER

M.NO 104982

sd/-

**S.K. SARAF**

DIRECTOR

DIN 00035843

sd/-

**NAVNEET SARAF**

DIRECTOR

DIN 00035686

PLACE: MUMBAI

DATE : 18th June 2021

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2021**

Amount in ₹

<b>EQUITY SHARE CAPITAL :</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>	<b>Balance as at 1st April, 2020</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March, 2021</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, 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	-	<b>42,068,260</b>
Other Comprehensive Income :						
Remeasurements of net defined benefit plans (Net of tax)	-	-	-	-	328,283	<b>328,283</b>
Transition Adjustment of Ind AS - 116	-	-	-	(593,546)	-	<b>(593,546)</b>
<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>
<b>Balance as at 1st April, 2020</b>	45,911,885	250,000	147,500,000	313,066,145	1,265,312	<b>507,993,342</b>
Profit for the year after tax	-	-	-	127,238,008	-	<b>127,238,008</b>
Other Comprehensive Income :						
Remeasurements of net defined benefit plans (Net of tax)	-	-	-	-	900,356	<b>900,356</b>
<b>Balance as at 31st March , 2021</b>	<b>45,911,885</b>	<b>250,000</b>	<b>147,500,000</b>	<b>440,304,153</b>	<b>2,165,668</b>	<b>636,131,706</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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

## TECHNOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

#### 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 18<sup>th</sup> June 2021.

#### 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

- a. Certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).
- b. Defined Benefits plans –Plan assets measured at Fair Value.

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 2021

#### 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.

#### v) Property, plant and equipment

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

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

#### 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.

#### x) 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.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

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.

#### **xi) 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 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.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

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.

#### **xii) 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.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

#### **(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.

#### **e) Income Recognition**

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

#### **xiii) 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



## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

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.

**xiv) 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.

**xv) 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.

**xvi) 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.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

#### xvii) Investment in Subsidiaries– Unquoted

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

#### xviii) 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.

##### ➤ 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.

#### xix) 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

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

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.

#### **xx) 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.

#### **xxi) 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.

#### **xxii) 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 Notes to the financial statements.

## TECHNOSOFT ENGINEERING PROJECTS LIMITED

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

#### xxiii) 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

#### xxiv) 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.

#### xxv) 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.

#### xxvi) Operating Segments

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

#### xxvii) Significant accounting judgements, estimates and assumptions:

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

#### xxviii) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

The MCA notification for Schedule III- On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**TECHNOSOFT ENGINEERING PROJECTS LTD**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

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

Amount in ₹

Particulars	Leasehold Land	Freehold Land & Buildings	Furniture, Fittings & Equipments	Plant and Machinery	Office Equipments	Computers	Motor Car & Vehicles	Right of Use Asset (Leasehold Building)	Total	Capital Work in Progress
<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>
<b>Accumulated Depreciation</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>
<b>Year Ended March 31, 2021</b>										
<b>Gross Carrying Amount</b>										
Opening Gross Carrying Amount	40,944	44,119,713	21,516,549	26,020,072	2,481,344	32,573,331	1,770,603	8,673,197	137,195,753	-
Additions	-	-	50,848	-	-	3,455,713	-	-	3,506,561	2,022,839
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>40,944</b>	<b>44,119,713</b>	<b>21,567,397</b>	<b>26,020,072</b>	<b>2,481,344</b>	<b>36,029,044</b>	<b>1,770,603</b>	<b>8,673,197</b>	<b>140,702,314</b>	<b>2,022,839</b>
Opening Accumulated Depreciation	4,490	9,723,654	12,631,087	16,670,534	1,969,841	26,487,473	1,546,272	4,165,828	73,199,179	-
Depreciation charge during the year	898	1,719,555	2,180,515	1,949,396	412,424	2,165,693	-	3,607,873	12,036,354	-
Transfers	-	-	-	-	-	-	-	-	-	-
<b>Closing Accumulated Depreciation</b>	<b>5,388</b>	<b>11,443,209</b>	<b>14,811,602</b>	<b>18,619,930</b>	<b>2,382,265</b>	<b>28,653,166</b>	<b>1,546,272</b>	<b>7,773,701</b>	<b>85,235,533</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>35,556</b>	<b>32,676,504</b>	<b>6,755,795</b>	<b>7,400,142</b>	<b>99,079</b>	<b>7,375,878</b>	<b>224,331</b>	<b>899,496</b>	<b>55,466,781</b>	<b>2,022,839</b>

**Note**

- 1) All Property, Plant & Equipment except Right of Use Asset are held in the name of the company
- 2) Refer to Note No 25 for information on Property, Plant & Equipment Pledged as Security by the Company.
- 3) **Capital Work Work in Progress**  
Capital Work in Progress is towards expansion of Various Business Units of the Company

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

**Note 4 : Investment Properties**

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	53,771,249	53,771,249
Transfer from Property, Plant & Equipment	-	-
<b>Closing Gross Carrying Amount</b>	<b>53,771,249</b>	<b>53,771,249</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	11,830,709	9,694,043
Depreciation Charge	2,032,960	2,136,666
Transfer from Property, Plant & Equipment	-	-
<b>Closing Accumulated Depreciation</b>	<b>13,863,669</b>	<b>11,830,709</b>
<b>Net Carrying Amount</b>	<b>39,907,580</b>	<b>41,940,540</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Rental Income	28,077,666	38,879,182
Direct Operating expenses from property that generated rental income	993,571	1,050,955
Direct Operating expenses from property that did not generate rental income	-	-
<b>Profit from Investment Properties before Depreciation</b>	<b>27,084,095</b>	<b>37,828,227</b>
Depreciation	2,032,960	2,136,666
<b>Profit from Investment Properties</b>	<b>25,051,135</b>	<b>35,691,561</b>

**ii) Fair Value**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment Properties	522,706,055	522,706,055

**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 rentals receivable at the Balancesheet date are as under ( For Non Cancellable Lease Period only )

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within one year	527,560	12,399,742
Later than one year but not later than 5 years	-	769,782
Later than 5 years	-	-

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

**Note 5 : Intangible assets**

Particulars	Computer Software *	Total
<b>Year Ended 31 st 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>
<b>Year Ended 31st March ,2021</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	41,425,390	41,425,390
Additions during the year	4,648,000	4,648,000
<b>Closing Gross Carrying Amount</b>	<b>46,073,390</b>	<b>46,073,390</b>
<b>Accumulated Amortisation and Impairment</b>		
Opening Accumulated Amortisation	35,206,038	35,206,038
Amortisation Charge for the year	7,357,279	7,357,279
<b>Closing Accumulated Amortisation and Impairment</b>	<b>42,563,317</b>	<b>42,563,317</b>
<b>Closing Net Carrying Amount</b>	<b>3,510,073</b>	<b>3,510,073</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, 2021	As at 31st March, 2020
<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 FMP 1105D AUGUST 2018 (2) (P.Y.20,00,000 units)	-	23,267,800
20,00,000 units of ` 10 each of HDFC FMP 1126D MARCH 2019 (1) (P.Y.20,00,000 units)	24,171,000	22,211,800
NIL units of ` 10 each of HDFC FMP 1133D JULY 2018 (1) (P.Y.10,00,000 units)	-	11,516,600
NIL units of ` 10 each of HDFC FMP 1141D AUGUST 2018 (1) (P.Y.15,00,000 units)	-	16,948,800
20,00,000 units of ` 10 each of HDFC FMP 1182D JANUARY 2019 (1) (P.Y.20,00,000 units)	24,573,600	22,572,800
20,00,000 units of ` 10 each of HDFC FMP 1260D OCTOBER 2018(1) (P.Y.20,00,000 units)	25,256,200	23,293,800
86,95,979.548 units of ` 10 each of HDFC CORPORATE BOND FUND (P.Y. 21,50,994.272 units)	216,772,509	49,287,668
22,98,782.343 units of ` 10 each of HDFC DIVIDEND YIELD FUND (P.Y. NIL units)	25,249,825	-
<b>Total (Mutual Funds)</b>	<b>316,023,134</b>	<b>169,099,268</b>
<b>Total Non - Current Investments</b>	<b>434,640,740</b>	<b>287,716,874</b>
Aggregate Amount of Quoted Investments	316,023,134	169,099,268
Aggregate Market value of Quoted Investments	316,023,134	169,099,268
Aggregate Amount of Unquoted Investments	118,617,606	118,617,606

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
<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)	47,053,360	36,205,401
NIL units of ₹10 each of HDFC Corporate Debt Opportunities Fund (P.Y.3,74,408.435 units)	-	6,232,441
22,351.513 units of units of ₹10 each of HDFC Flexi Cap Fund (P.Y. 22,351.513 units)	17,824,238	10,231,071
10,00,000 units of ₹10 each of HDFC EOF-II-1100D June 2017 (P.Y.10,00,000 units)	10,886,000	8,325,000
NIL units of ₹10 each of HDFC FMP 1170D February 2017 (P.Y.10,00,000 units)	-	12,816,800
20,00,000 units of ₹10 each of HDFC FMP 1105D AUGUST 2018 (2) (P.Y.NIL units)	24,902,400	-
10,00,000 units of ₹10 each of HDFC FMP 1133D JULY 2018 (1) (P.Y.NIL units)	12,434,500	-
15,00,000 units of ₹10 each of HDFC FMP 1141D AUGUST 2018 (1) (P.Y.NIL units)	18,955,800	-
<b>Total (Mutual Funds)</b>	<b>132,056,298</b>	<b>73,810,713</b>
<b>Total Current Investments</b>	<b>132,056,298</b>	<b>73,810,713</b>
Aggregate Amount of Quoted Investments	132,056,298	73,810,713
Aggregate Market value of Quoted Investments	132,056,298	73,810,713

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non - Current	Current	Non - Current
<b>Security Deposits with :</b>				
Government Department	-	2,699,422	-	2,742,477
Others	596,525	1,929,905	2,137,363	1,920,637
Other Receivables	1,611,800	-	3,664,744	-
Interest Receivables	528,042	-	380,694	-
Fixed Deposit with maturity more than 12 Months*	-	20,100,000	-	-
<b>Total Other Financial Assets</b>	<b>2,736,367</b>	<b>24,729,327</b>	<b>6,182,801.00</b>	<b>4,663,114.00</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, 2021	31st March, 2020
Trade Receivables (other than related parties)	3,098,024	6,376,094
Receivables from related parties	25,902,644	94,050,259
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>29,000,668</b>	<b>100,426,353</b>
Current Portion	29,000,668	100,426,353
Non - Current Portion	-	-
<b>Break-up of security details</b>		
Secured ,Considered good	-	-
Unsecured , Considered good	29,000,668	100,426,353
Doubtful	-	-
<b>Total</b>	<b>29,000,668</b>	<b>100,426,353</b>
Allowance for doubtful Trade Receivables	-	-
<b>Total Trade Receivables</b>	<b>29,000,668</b>	<b>100,426,353</b>



**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with Banks		
- In current accounts	29,184,082	17,616,098
Cash on Hand	150,157	100,621
<b>Total Cash and Cash Equivalents</b>	<b>29,334,239</b>	<b>17,716,719</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed Deposit Accounts Between 3 & 12 Months*	-	20,100,000
<b>Total Other Bank Balances</b>	<b>-</b>	<b>20,100,000</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, 2021		As at 31st March, 2020	
	Current	Non - Current	Current	Non - Current
Unsecured,considered good				
Loans To Employees	610,933	-	1,030,403	-
<b>Total Loans</b>	<b>610,933</b>	<b>-</b>	<b>1,030,403</b>	<b>-</b>

Breakup	As at 31st March, 2021	As at 31st March, 2020
Loan Considered good-Secured	-	-
Loan Considered good-Unsecured	610,933	1,030,403
Loans which have significant increase in credit risk	-	-
Loans -credit impaired	-	-
<b>Total</b>	<b>610,933</b>	<b>1,030,403</b>
Less Allowance for Doubtful Loans	-	-
<b>Total Loans</b>	<b>610,933</b>	<b>1,030,403</b>

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

The balance comprises temporary differences attributable to :

Particulars	As at 31st March, 2021	As at 31st March, 2020
Property , Plant & Equipment , Intangible Assets & Investment Properties	1,817,980	1,470,475
Employee Benefits	5,011,073	3,780,269
Tax Losses	22,155,907	22,587,147
Investments	(10,747,780)	(4,397,441)
Others	(921,529)	(838,143)
<b>Net Deferred Tax Assets</b>	<b>17,315,651</b>	<b>22,602,307</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Advance	1,557,317	-
Prepaid Expenses	183,425	599,220
<b>Total Other Non Current Asset</b>	<b>1,740,742</b>	<b>599,220</b>

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Tax	-	119,503,283
Less :Provision For Taxation	-	118,039,894
<b>Net Current Tax Assets</b>	<b>-</b>	<b>1,463,389</b>

**Note 10 : Other Current Assets**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Prepaid Expenses	7,962,201	7,002,320
Balance With Statutory Authorities	5,471,500	1,324,377
Others	8,478,350	209,197
<b>Total Other Current Asset</b>	<b>21,912,051</b>	<b>8,535,894</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

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

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

Particulars	As at	As at
	31st March, 2021	31st March, 2020
<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 period :**

Particulars	Equity Shares			
	As at 31st March, 2021		As at 31st March, 2020	
	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 at 31st March, 2021		As at 31st March, 2020	
	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 at 31st March, 2021		As at 31st March, 2020	
	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, 2021.

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
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	442,469,821	314,331,457
<b>Total Reserves and Surplus</b>	<b>636,131,706</b>	<b>507,993,342</b>

**(i) Capital Redemption Reserve**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	250,000	250,000
<b>Closing Balance</b>	<b>250,000</b>	<b>250,000</b>

**(ii) Security Premium**

Particulars	As at 31st March, 2021	As at 31st March, 2020
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 31st March, 2021	As at 31st March, 2020
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 31st March, 2021	As at 31st March, 2020
Opening Balance	314,331,457	272,528,460
Add : Total Comprehensive Income for the year after tax	128,138,364	42,396,543
Add : Transitional Adjustment of Ind AS 116	-	(593,546)
<b>Closing Balance</b>	<b>442,469,821</b>	<b>314,331,457</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.

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

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

Particulars	Interest Rate	As at	As at
		31st March, 2021	31st March, 2020
<b>Secured</b>			
<b>From Bank</b>			
H.D.F.C. Bank - Overdraft		11,972,805	3,728,519
<b>Unsecured</b>			
<b>From Related Party</b>			
Ashrit Holdings Ltd (Terms of Repayment - On Demand)	10%	-	1,784,610
<b>Total Current Borrowings</b>		<b>11,972,805</b>	<b>5,513,129</b>

**Nature of Security**

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

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

Particulars	As at	As at
	31st March, 2021	31st March, 2020
<b>Current</b>		
Amounts due to related parties	-	-
Total Outstanding dues to Micro & Small Enterprises	-	-
Others	7,264,188	3,668,551
<b>Total Trade Payables</b>	<b>7,264,188</b>	<b>3,668,551</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, 2021	31st March, 2020
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 at 31st March, 2021		As at 31st March, 2020	
	Current	Non - Current	Current	Non - Current
<b>Security Deposits with :</b>				
Others	2,439,517	7,607,026	4,939,158	14,550,373
Lease Liability - (Refer Note No. 31)	982,494	-	3,513,136	982,494
Liabilities For Expenses	84,194,970	-	91,045,767	-
<b>Total Financial Liabilities</b>	<b>87,616,981</b>	<b>7,607,026</b>	<b>99,498,061</b>	<b>15,532,867</b>

**Note 13 : Provisions**

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Current	Non - Current	Current	Non - Current
Provision For Leave Salary Encashment	114,014	4,248,541	67,626	2,580,169
Provision For Gratuity	314,602	15,233,334	271,215	13,421,266
<b>Total Employee Benefit Obligations*</b>	<b>428,616</b>	<b>19,481,875</b>	<b>338,841</b>	<b>16,001,435</b>

\*Also refer Note No. 27 of Employee Benefits

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision For Taxation	130,681,894	-
Less : Advance Tax	115,965,670	-
<b>Net Current Tax Liabilities</b>	<b>14,716,224</b>	<b>-</b>

**Note 15 : Other current liabilities**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Other Liabilities	3,814,758	2,507,917
<b>Total Other Current Liabilities</b>	<b>3,814,758</b>	<b>2,507,917</b>

**Note 16 : Revenue From Operations**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<u>Rendering Of Services</u>		
Export (Net)	364,826,901	298,136,771
Local Sales	22,967,829	18,369,556
<b>Total Revenue from Continuing Operations</b>	<b>387,794,730</b>	<b>316,506,327</b>

**Contract Balances**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Trade Receivables	29,000,668	100,426,353
Contract Liabilities (Advances from Customers)	-	-

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Contract Price	388,236,677	379,062,363
Less Discount , rebates , Claims etc	441,947	62,556,036
<b>Total Revenue from Operations as per statement of Profit &amp; Loss</b>	<b>387,794,730</b>	<b>316,506,327</b>

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Rental Income	29,065,224	38,879,182
Gain on financial assets measured through fair value through profit and loss	41,718,692	2,421,977
Gain on Disposal of Investments mandatorily measured at fair value through profit and loss	78,300	11,500
Net Foreign Exchange Gain	216,266	10,412,973
Interest Income	1,519,874	1,782,358
Other Non Operating Income	7,278,896	7,431,344
<b>Total Other Income</b>	<b>79,877,252</b>	<b>60,939,334</b>

**Note 18 : Employee benefits expense**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Salaries, Wages, Bonus, allowances etc	205,320,296	221,631,129
Contribution to Provident Fund, ESIC & Other Funds	4,520,939	4,806,324
Gratuity Expenses (Refer Note No. 27 of Employee Benefits)	3,730,547	3,581,100
Staff Welfare Expenses	520,655	1,687,196
<b>Total Employee Benefits Expense</b>	<b>214,092,437</b>	<b>231,705,749</b>

**Note 19 : Finance costs**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>Interest</b>		
Interest Expenses (net)	1,248,717	2,454,402
<b>Other Finance Cost</b>		
Bank Charges	375,731	356,683
<b>Finance Cost expensed in Profit or Loss</b>	<b>1,624,448</b>	<b>2,811,085</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

Amount in ₹

**Note 20 : Depreciation and amortisation expenses**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Depreciation on Property, Plant and Equipment ( including Right of Use Asset)	12,036,354	17,227,802
Depreciation on Investment Properties	2,032,960	2,136,666
Amortisation of Intangible Assets	7,357,279	6,245,504
<b>Total Depreciation and amortisation expense</b>	<b>21,426,593</b>	<b>25,609,972</b>

**Note 21 : Other expenses**

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Advertisement	141,096	244,520
Computer Expenses	16,006,370	10,144,196
Repairs & Maintenance		
Buildings	1,462,000	195,687
Others	11,620,967	4,228,546
Power & Electricity	3,911,769	6,457,420
Water Charges	90,697	343,871
Sales Promotion	64,231	220,604
Traveling & Conveyance Expenses	2,137,254	2,929,601
Vehicle Exps	1,408,862	1,045,931
Legal & Professional Exps	10,931,314	20,525,824
Licence & Membership Fees	330,436	256,035
Rent, Rates & Taxes	5,215,177	2,884,625
Insurance (General)	906,786	494,771
Engineering & Design Charges	7,566,565	7,844,613
Corporate Social Responsibility (Refer Note No 32)	1,100,000	-
Printing & Stationery	59,007	314,166
Postage, Telegram & Telephone Exp.	2,978,954	2,934,498
Loss on Disposal of Investment	142,275	-
Miscellaneous Expenses	130,138	253,334
Payment to Auditors - <b>Note 21 (a) below</b>	412,860	419,360
Sundry Balance written off	417,810	-
<b>Total Other expenses</b>	<b>67,034,568</b>	<b>61,737,602</b>

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fee	300,000	300,000
Tax Audit Fee	100,000	100,000
<b>In other capacities :</b>		
Certification Expenses	10,000	15,000
Out of Pocket expenses	2,860	4,360
<b>Total Payment to Auditors</b>	<b>412,860</b>	<b>419,360</b>

**Note 22 : Tax Expense**

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

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
<b>Current tax expense (A)</b>		
Current year	30,874,000	12,015,000
Taxation of earlier years	398,087	360,849
	<b>31,272,087</b>	<b>12,375,849</b>
<b>Deferred tax expense (B)</b>		
Origination and reversal of temporary differences	4,983,841	1,137,144
<b>Tax expense recognised in the income statement (A+B)</b>	<b>36,255,928</b>	<b>13,512,993</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

Amount in ₹

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

Particulars	2020-21			2019-20		
	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	1,203,171	302,815	900,356	438,694	110,411	328,283
	<b>1,203,171</b>	<b>302,815</b>	<b>900,356</b>	<b>438,694</b>	<b>110,411</b>	<b>328,283</b>

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

Particulars	Year Ended March 31,2021	Year Ended March 31,2020
<b>Profit before tax</b>	<b>163,493,936</b>	<b>55,581,253</b>
Applicable tax rate (Current year 25.168% and Previous Year 25.168%)	<b>41,148,154</b>	<b>13,988,690</b>
<b>Tax effect of :</b>		
Tax effect on non-deductible /Allowable on Payment Basis	439,591	920,817
Excess of depreciation over books under income tax	481,984	667,768
Deductions under various sections of Income Tax Act, 1961	(2,510,754)	(3,280,036)
Effect of taxation of Capital Gains	(571,772)	(809,835)
Others	(3,129,362)	1,664,740
Tax Adjustment of earlier years	398,087	360,849
<b>Tax expense as per Statement of Profit &amp; Loss</b>	<b>36,255,928</b>	<b>13,512,993</b>
<b>Effective tax rate</b>	<b>22.18%</b>	<b>24.31%</b>

**Movement in deferred tax balances**

Particulars	31/03/2021			
	As at 1st April, 2020 Deferred Tax Asset/(Liabilities)	Credit / (Charge) in Statement of profit or loss	Credit / (Charge) in OCI	As at 31st March, 2021 Deferred tax Asset/ (Liabilities)
<b>Deferred tax Assets/ (Liabilities)</b>				
Depreciation	1,470,475	347,505	-	1,817,980
Tax Losses	22,587,147	(431,240)	-	22,155,907
Expenses Allowed in the year of Payment	3,780,269	1,533,619	(302,815)	5,011,073
Investments	(4,397,441)	(6,350,339)	-	(10,747,780)
Others	(838,143)	(83,386)	-	(921,529)
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<b>22,602,307</b>	<b>(4,983,841)</b>	<b>(302,815)</b>	<b>17,315,651</b>

Particulars	31/03/2020			
	As at 1st April, 2019 Deferred Tax Asset/(Liabilities)	Credit / (Charge) in Statement of profit or loss	Credit / (Charge) in OCI	As at 31st March, 2020 Deferred tax Asset/ (Liabilities)
<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>	<b>23,849,862</b>	<b>(1,137,144)</b>	<b>(110,411)</b>	<b>22,602,307</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.

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

Particulars	Year Ended March 31,2021	Year Ended March 31,2020
<b>Earnings Per Share has been computed as under :</b>		
<b>Net Profit after tax attributable to Equity Shareholders</b>	<b>127,238,008</b>	<b>42,068,260</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)	213.84	70.70
Diluted Earning per share (in `) (Face Value of ₹ 10/- per Share)	213.84	70.70

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

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

<b>Contingent Liabilities not provided for</b>	<b>Amount in ₹</b>	
	<b>As at 31st March , 2021</b>	<b>As at 31st March , 2020</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 , 2021</b>	<b>As at 31st March , 2020</b>
<b>Non Current Assets</b>		
Leasehold Land	35,556	36,454
Investment Property	37,795,560	39,719,827
Building	32,676,504	34,396,059
<b>Other Financial Assets</b>		
Fixed Deposits with Bank	20,100,000	-
<b>Total Non Current Assets Pledged as security</b>	<b>90,607,620</b>	<b>74,152,340</b>
<b>Other Financial Assets</b>		
Fixed Deposits with Banks	-	20,100,000
<b>Total Current Assets Pledged as security</b>	<b>-</b>	<b>20,100,000</b>
<b>Total Assets Pledged as Security</b>	<b>90,607,620</b>	<b>94,252,340</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

**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 Technosoft Innovations Inc.
- 2.Technosoft Services Inc, USA
- 3.204590 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.Techno Defence Pvt. Ltd.
- 6.Highmark International Trading ,UAE
- 7.AAIT /Technocraft Scaffold Distribution LLC,USA
- 8.Technocraft NZ Limited
- 9.Shivale Infraproducts Private Limited
- 10.Technocraft Fashions Limited (w.e.f. 15th Oct 2020)

**Joint Venture of the Holding Company**

- 1.Technocraft Tabla Formwork Systems Pvt. Ltd

**Associate of the Holding Company**

- 1.Benten Technologies LLP

**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 , 2021**

Amount in ₹

Transcations during the Year	Year Ended 31st March , 2021	Year Ended 31st March , 2020
<b>A.Sales of Services</b>		
<b>Holding Company</b>		
1.Technocraft Industries (India) Ltd.	16,130,898	13,516,833
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	303,815,642	284,415,231
2. Technosoft Innovations Inc.	363,104	13,130,854
3. 2045690 Alberta Ltd., Canada (Step Engineering)	-	250,775
4.Technosoft Engineering UK Ltd	9,874,121	5,684,129
5.Technosoft GMBH	15,315,473	10,142,856
<b>Fellow Subsidiaries</b>		
1.Technocraft International Limited	60,200	9,209,523
2.AAIT /Technocraft Scaffold Distribution LLC,USA	1,615,610	1,342,470
3.Technocraft Australia Pty Ltd.	-	153,615
<b>Enterprises in which KMP/ Relative of KMP are Interested</b>		
1.BMS Industries Ltd	5,794,597	4,766,589
2.Paithan Eco Food Pvt. Ltd.	-	34,000
3. Brand You Digital	-	55,084
<b>B. Rent Received</b>		
<b>Holding Company</b>		
1.Technocraft Industries (India) Ltd.	338,984	-
<b>C.Purchases ( Computer)</b>		
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	57,387	324,193
<b>D.Quality Claims</b>		
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1. Technosoft Innovations Inc.	-	61,712,159
2.Technosoft Engineering UK Ltd	202,337	780,670
3.Technosoft GMBH	-	14,488
<b>E.Interest Paid</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	51,827	1,482,900
<b>F.Loan Repaid</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	1,832,550	213,950,000
<b>G.Loan Taken</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	-	190,638,120

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

<b>H.Recovery of Expenses</b>		
<b>Subsidiary Companies/Step down Subsidiary Companies</b>		
1.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	1,927,078	9,255,155
2. Technosoft Innovations Inc.	2,263,752	7,625,731
3.Technosoft GMBH	-	303,809
<b>I.Reimbursement of Expenses</b>		
<b>Fellow Subsidiaries/Subsidiary Companies</b>		
1.Technocraft International Limited	66,527	375,105
2.Technosoft Engineering Inc. (Formerly Known as Impact Engineering Solutions Inc.)	812,279	1,183,533
3. Technosoft Innovations Inc.	-	12,737,680
<b>J.Rent Paid</b>		
<b>Holding Company</b>		
1.Technocraft Industries (India) Ltd.	200,000	200,000

Amount due to / From Related Parties	As at 31st March 2021	As at 31st March 2020
<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.)	18,186,640	86,105,073
2.2045690 Alberta Ltd., Canada (Step Engineering)	-	41,478
3.Technosoft Engineering UK Ltd	4,994,476	4,762,517
4.Technosoft GMBH	2,728,324	4,466,153
<b>Fellow Subsidiaries</b>		
1.Technocraft International Limited	-	712,188
2.AAIT /Technocraft Scaffold Distribution LLC,USA	541,014	453,990
3.Technocraft Australia Pty Ltd.	-	133,194
<b>Enterprises in which Relative of KMP are Interested</b>		
1. Brand You Digital	59,492	59,492
<b>B.Loan payable</b>		
<b>Enterprises in which KMP are Interested</b>		
1.Ashrit Holdings Limited	-	1,784,610
<b>C.Trade &amp; Other Payables</b>		
1. Technosoft Innovations Inc.	43,046,352	47,253,762
2.Technosoft Engineering UK Ltd	85	85
3. Technocraft International Limited	76,391	-

**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 , 2021**

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

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

**Defined Contribution Scheme**

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

	<b>Amount in ₹</b>	
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>2020-21</b>	<b>2019-20</b>
Defined Contribution Scheme	3,985,297	4,194,903

**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</b>	<b>As at</b>
	<b>31-Mar-21</b>	<b>31-Mar-20</b>
Present value of unfunded obligations	15,547,936	13,692,481
Fair Value of plan assets	-	-
<b>Net (Asset)/Liability recognised</b>	<b>15,547,936</b>	<b>13,692,481</b>

**Changes in Defined benefit obligations**

<b>Particulars</b>	<b>Present value of obligations</b>	
	<b>2020-21</b>	<b>2019-20</b>
Defined Obligations at the beginning of the year	13,692,481	11,834,154
Current service cost	2,795,122	2,673,532
Interest Cost/(Income)	935,425	907,568
Actuarial (gain)/loss arising from change in financial assumptions	106,234	1,609,531
Actuarial (gain)/loss arising from change in demographic assumption	-	(13,670)
Actuarial (gain)/loss arising from experience adjustments	(1,309,405)	(2,034,554)
Benefit payments	(671,921)	(1,284,080)
<b>Defined Obligations at the end of the year</b>	<b>15,547,936</b>	<b>13,692,481</b>

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021**

**Statement of Profit and Loss**

<b>Employee benefit expenses :</b>	<b>2020-2021</b>	<b>2019-2020</b>
Current Service cost	2,795,122	2,673,532
Interest cost/ (Income)	935,425	907,568
<b>Total amount recognised in Statement of P&amp;L</b>	<b>3,730,547</b>	<b>3,581,100</b>
Remeasurement of the net defined benefit liability :		
Return on plan assets excluding amounts included in net finance income/(cost)	-	-
Change in Financial Assumptions	106,234	1,609,531
Change in Demographic Assumption	-	(13,670)
Experience gains/(losses)	(1,309,405)	(2,034,554)
<b>Total amount recognised in Other Comprehensive (Income) / Expenses</b>	<b>(1,203,171)</b>	<b>(438,693)</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-21</b>	<b>As at 31-Mar-20</b>
Discount rate ( p.a.)	6.85%	6.90%
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-21</b>	<b>As at 31-Mar-20</b>
	<b>Increase /Decrease in liability</b>	<b>Increase /Decrease in liability</b>
<u>Discount rate varied by 0.5%</u>		
0.50%	14,528,591	12,765,097
-0.50%	16,666,566	14,711,916
<u>Salary growth rate varied by 0.5%</u>		
0.50%	16,681,573	14,726,103
-0.50%	14,506,732	12,744,802
<u>Withdrawal rate (W.R.) varied by 10%</u>		
W.R.* 110%	15,603,264	13,743,267
W.R.* 90%	15,490,966	13,640,147

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 2021 & as at 31st March 2020 were as follows:

<b>Expected contribution</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	314,602	271,215
2nd following year	353,979	305,377
3rd following year	387,088	341,296
4th following year	1,183,222	373,656
5th following year	411,737	1,028,130
Years 6 to 10	4,755,365	3,860,232

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

**[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	As at
	31-Mar-21	31-Mar-20
Present value of unfunded obligations	4,362,555	2,647,795
<b>Net (Asset)/Liability recognised</b>	<b>4,362,555</b>	<b>2,647,795</b>

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

Particulars	Leave Encashment - Unfunded	
	2020-21	2019-20
Defined Obligations at the beginning of the year	2,647,795	2,531,561
Current Service Cost	1,985,607	1,891,125
Interest Cost	180,365	193,100
Actuarial loss/(gain) due to change in financial assumptions	30,579	303,049
Actuarial loss/(gain) due to change in demographic assumptions	-	(2,522)
Actuarial loss/ (gain) due to experience adjustments	151,448	(1,478,268)
Benefits paid	(633,239)	(790,250)
<b>Defined Obligations at the end of the year</b>	<b>4,362,555</b>	<b>2,647,795</b>

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

Particulars	2020-21	2019-20
Current Service Cost	1,985,607	1,891,125
Net Interest Cost	180,365	193,100
Net value of remeasurements on the obligation and plan assets	182,027	(1,177,741)
<b>Total amount recognised in Statement of P&amp;L</b>	<b>2,347,999</b>	<b>906,484</b>
Return on plan assets excluding amounts included in net finance income/(cost)		
Change in Financial Assumptions	30,579	303,049
Change in Demographic Assumptions	-	(2,522)
Experience gains/(losses)	151,448	(1,478,268)
<b>Net Actuarial Loss/(Gain)</b>	<b>182,027</b>	<b>(1,177,741)</b>

**Major Actuarial Assumptions**

Particulars	2020-21	2019-20
Discount Rate (%)	6.85%	6.90%
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 2021 & as at 31st March 2020 were as follows:

Expected contribution	As at 31st March 2021	As at 31st March 2020
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	114,014	67,626
2nd following year	117,955	69,895
3rd following year	120,891	72,410
4th following year	539,808	74,260
5th following year	116,913	392,152
Years 6 to 10	1,166,121	530,610

**TECHNOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

**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)

Amount in ₹

31st March 2021	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	316,023,134	-	-	316,023,134	316,023,134	-	-	316,023,134
<b>Current :</b>								
Investment In Mutual Funds	132,056,298	-	-	132,056,298	132,056,298	-	-	132,056,298
<b>Financial assets at amortised cost</b>								
<b>Non-current :</b>								
Deposits	-	-	24,729,327	24,729,327	-	-	-	-
<b>Current :</b>								
Deposits	-	-	596,525	596,525	-	-	-	-
Loan to Employees	-	-	610,933	610,933	-	-	-	-
Cash and cash equivalents	-	-	29,334,239	29,334,239	-	-	-	-
Other Bank Balances	-	-	-	-	-	-	-	-
Trade receivables	-	-	29,000,668	29,000,668	-	-	-	-
Others	-	-	2,139,842	2,139,842	-	-	-	-
	<b>448,079,432</b>	<b>-</b>	<b>86,411,534</b>	<b>534,490,966</b>	<b>448,079,432</b>	<b>-</b>	<b>-</b>	<b>448,079,432</b>
<b>Financial liabilities at amortised cost</b>								
<b>Non Current</b>								
Deposits	-	-	7,607,026	7,607,026	-	-	-	-
<b>Current</b>								
Short Term Borrowings	-	-	11,972,805	11,972,805	-	-	-	-
Trade and Other Payables	-	-	7,264,188	7,264,188	-	-	-	-
Deposits	-	-	2,439,517	2,439,517	-	-	-	-
Other Current Financial Liabilities	-	-	85,177,464	85,177,464	-	-	-	-
	<b>-</b>	<b>-</b>	<b>106,853,974</b>	<b>106,853,974</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

31st March 2020	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	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 & Lease Liability	-	-	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>-</b>	<b>150,119,390</b>	<b>393,029,371</b>	<b>242,909,981</b>	<b>-</b>	<b>-</b>	<b>242,909,981</b>
<b>Financial liabilities at amortised cost</b>								
<b>Non Current</b>								
Deposits & Lease Liability			15,532,867	15,532,867	-	-	-	-
<b>Current</b>								
Short Term Borrowings	-	-	5,513,129	5,513,129	-	-	-	-
Trade and Other Payables	-	-	3,668,551	3,668,551	-	-	-	-
Deposits	-	-	4,939,158	4,939,158	-	-	-	-
Other Current Financial Liabilities	-	-	94,558,903	94,558,903	-	-	-	-
	<b>-</b>	<b>-</b>	<b>108,679,741</b>	<b>108,679,741</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

During the reporting period ended March 31, 2021 and March 31, 2020, 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.



## **TECHNOSOFT ENGINEERING PROJECTS LTD**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

#### **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>Amount in ₹</b>	
	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
Not due	25,186,110	87,229,017
0-90 days	1,176,296	12,726,090
91-180 days	1,720,138	-
181 to 270 days	199,969	21,499
271 to 365 days	59,492	449,747
365 days & Above	658,663	-
<b>Total</b>	<b>29,000,668</b>	<b>100,426,353</b>

## 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 2021

(Amount in Foreign Currency)

Particulars	USD	EURO	AUD	CAD	GBP
Trade Receivables / Other Financial Assets	251,106	47,809	-	21,255	49,563
Advances Recoverable in cash or kind	8,134	-	-	-	-
Trade Payables / Other Financial Liabilities	(588,289)	-	-	-	(761)
<b>Net</b>	<b>(329,049)</b>	<b>47,809</b>	<b>-</b>	<b>21,255</b>	<b>48,802</b>

As as 31st March 2020

(Amount in Foreign Currency)

Particulars	USD	EURO	AUD	CAD	GBP
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>519,382</b>	<b>73,508</b>	<b>2,891</b>	<b>88,993</b>	<b>58,554</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 .

	2020-21		2019-20	
	1% increase	1% Decrease	1% increase	1% Decrease
USD	(240,568)	240,568	392,990	(392,990)
EURO	40,996	(40,996)	60,843	(60,843)
AUD	-	-	1,332	(1,332)
GBP	49,169	(49,169)	54,749	(54,749)
CAD	12,333	(12,333)	47,240	(47,240)
<b>Increase / (Decrease) in Profit or Loss</b>	<b>(138,070)</b>	<b>138,070</b>	<b>557,154</b>	<b>(557,154)</b>

### ii) Interest rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. Company has borrowings with only Fixed Rate of Interest therefore no interest rate risk for the company.

### Exposure to interest rate risk

Amount in ₹

Particulars	As at 31st March 2021	As at 31st March 2020
Borrowings Bearing Variable rate of Interest	-	-
Borrowings bearing Fixed Rate of Interest	11,972,805	5,513,129
<b>Total Borrowings</b>	<b>11,972,805</b>	<b>5,513,129</b>
% of Borrowings bearing Variable rate of Interest	-	-

**TECHNOFT ENGINEERING PROJECTS LTD****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021****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 , 2021****Amount in ₹**

Particulars	0-1 years	1-5 years	Beyond 5 years	Total
Short term borrowings	11,972,805	-	-	11,972,805
<b>Total</b>	<b>11,972,805</b>	<b>-</b>	<b>-</b>	<b>11,972,805</b>

**As at 31st March , 2020**

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

**Maturity patterns of other Financial Liabilities****As at 31st March , 2021**

Particulars	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	7,264,188	-	-	7,264,188
Other Financial Liabilities (Current & Non Current)	87,616,981	7,607,026	-	95,224,007
<b>Total</b>	<b>94,881,169</b>	<b>7,607,026</b>	<b>-</b>	<b>102,488,195</b>

**As at 31st March , 2020**

Particulars	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	3,668,551	-	-	3,668,551
Other Financial Liabilities (Current & Non Current)	99,498,061	15,532,867	-	115,030,928
<b>Total</b>	<b>103,166,612</b>	<b>15,532,867</b>	<b>-</b>	<b>118,699,479</b>

## TECHNOSOFT ENGINEERING PROJECTS LTD

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021

#### **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

Particulars	Amount in ₹	
	As at 31st March, 2021	As at 31st March, 2020
Net Debt *	(17,361,434)	(12,203,590)
Total Equity	642,081,816	513,943,452
<b>Net Debt to Total Equity</b>	<b>(0.03)</b>	<b>(0.02)</b>

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

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

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

i) The Company's lease asset primarily consist of lease for Building for Branch office.

(ii) Following is carrying value of right of use assets and the movements thereof

Particulars	Amount in ₹
<b>Balance as at April 1, 2019</b>	-
Transition impact on account of adoption of Ind AS 116 "Leases" (refer Note No 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 March 31, 2020</b>	<b>4,507,369</b>
Additions during the year	-
Deletion during the year	-
Depreciation of Right of use assets	3,607,873
<b>Balance as at March 31, 2021</b>	<b>899,496</b>

iii) The following is the carrying value of lease liability and movement thereof

Particulars	Amount in ₹
<b>Balance as at April 1, 2019</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 March 31, 2020</b>	<b>4,495,630</b>
Additions during the year	-
Finance Cost accrued during the year	347,824
Deletions	-
Lease Rent Concession	313,453
Payment of Lease Liabilities	3,547,506
<b>Balance as at March 31, 2021</b>	<b>982,495</b>

Amount in ₹

Particulars	As at 31st March 2021	As at 31st March 2020
Current Maturity of Lease Liability (Refer Note No 12 (C) )	982,495	3,513,135
Non Current Lease Liability	-	982,495

iv) The weighted average incremental borrowing rate applied to lease liabilities is 12%

v) Amount recognised in the statement of profit and Loss during the year

Amount in ₹

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Depreciation Charge of right of use assets -Leasehold building	3,607,873	4,165,828
Finance Cost accrued during the year (included in Finance cost )	347,824	238,347

vi) 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.

vii) During the current year, the Company has received the Covid -19 related rent concessions for lessees amounting to ₹ 3,13,453 and on the basis of practical expedient as per Ind AS 116 "Leases", the same is not considered to be lease modification, hence the income towards rent concession is recognised in " Other Income " in the statement of profit & Loss account.

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

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

Amount in ₹

S.N	Particulars	2020-2021	2019-2020
a)	Amount required to be spent as per section 135 of the Act	1,031,749	1,189,367
b)	Amount spent during the year on		
	(i) Construction / acquisition of an asset	-	
	(ii) On Purpose other than (i) above	1,100,000	-
c)	Excess amount spent during the year	68,251	-
d)	Excess amount Carried forward to next year	-	-
e)	Amount debited in the statement of Profit and Loss Account	1,100,000	-

**TECHNOSOFT ENGINEERING PROJECTS LTD**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH , 2021**

**Note-33 Other Accompanying Notes**

- 1) Previous Years Figures have been regrouped / rearranged where ever considered necessary to make them Comparable with the Current year Classification.
- 2) 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.
- 3) 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**

**V.L. BAJAJ**

PARTNER

M.NO 104982

sd/-

**S.K. SARAF**

DIRECTOR

DIN 00035843

sd/-

**NAVNEET SARAF**

DIRECTOR

DIN 00035686

PLACE: MUMBAI

DATE : 18th June 2021

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



# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of Technocraft Tabla Formwork Systems Private Limited

## Report on the Financial Statements

### Opinion

We have audited the accompanying 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, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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 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, 2021, 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 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 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 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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March 2021. These matters were addressed in the context of our audit of the 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 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 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 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 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 Ind AS Financial Statements**

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2021 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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 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: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAABB6364**

## **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 Financial Statements for the year ended 31<sup>st</sup> March 2021, 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, 2021 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. 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: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAABB6364**

## **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, 2021. 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 2021 in conjunction with our audit of the 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place of Signature: Mumbai  
Date: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAABB6364**



**Technocraft Tabla Formwork Systems Private Limited**  
(CIN - U29300MH2010PTC201272)  
**Balance Sheet as at 31st March 2021**

(Amount in ₹)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Deferred Tax Asset	3	-	1,192,822
<b>Total Non - Current Assets</b>		<b>-</b>	<b>1,192,822</b>
<b>Current Assets</b>			
Financial Assets			
Cash and cash equivalents	4	133,291	163,313
Current Tax Assets (Net)	5	762,721	762,721
<b>Total Current Assets</b>		<b>896,012</b>	<b>926,034</b>
<b>Total Assets</b>		<b>896,012</b>	<b>2,118,856</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	6(a)	10,000,000	10,000,000
Other Equity	6(b)	(9,109,888)	(7,887,044)
<b>Total Equity</b>		<b>890,112</b>	<b>2,112,956</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>896,012</b>	<b>2,118,856</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**

**(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 : 18th June 2021

**Technocraft Tabla Formwork Systems Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

(Amount in ₹)

Particulars	Note No.	Year Ended 31st March 2021	Year Ended 31st March 2020
<b>Income</b>			
Other Income	8	10,000	
<b>Total Income</b>		<b>10,000</b>	<b>-</b>
<b>Expenses</b>			
Other expenses	9	40,022	20,980
<b>Total expenses</b>		<b>40,022</b>	<b>20,980</b>
<b>Profit/(loss) before tax</b>		<b>(30,022)</b>	<b>(20,980)</b>
Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		1,192,822	-
<b>Total tax expenses</b>		<b>1,192,822</b>	<b>-</b>
<b>Profit/(Loss) for the year</b>		<b>(1,222,844)</b>	<b>(20,980)</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>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>		<b>(1,222,844)</b>	<b>(20,980)</b>
Earnings per equity share( on nominal Value of ₹ 10/- per Share)	10		
(1) Basic		(1.22)	(0.02)
(2) Diluted		(1.22)	(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**

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

PLACE: MUMBAI  
DATE : 18th June 2021

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

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

**Technocraft Tabla Formwork Systems Private Limited**

**Cash Flow Statement the year ended 31st March, 2021**

(Amount in ₹)

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax	(30,022)	(20,980)
<b>Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities</b>		
	(30,022)	(20,980)
<b>Working capital adjustments</b>		
Increase/ (Decrease) in trade and other payables	-	-
	-	-
Income Tax paid (Net of Refunds)	-	-
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>(30,022)</b>	<b>(20,980)</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>(30,022)</b>	<b>(20,980)</b>
Cash and cash equivalents at the beginning of the year	163,313	184,293
<b>Cash and cash equivalents at the end of the year</b>	<b>133,291</b>	<b>163,313</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**

Particulars	As at 31st March 2021	As at 31st March 2020
<b>a) Cash and Cash Equivalents</b>		
In Current Account	133,291	163,313
<b>Total</b>	<b>133,291</b>	<b>163,313</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**

**(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 : 18th June 2021

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

(Amount in ₹)

<b>EQUITY SHARE CAPITAL :</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>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March,2021</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 1,2019</b>	(7,866,064)	-	(7,866,064)
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>
Profit / (Loss) for the year	(1,222,844)	-	(1,222,844)
Other Comprehensive Income for the Year	-	-	-
<b>Balance as at 31st March,2021</b>	<b>(9,109,888)</b>	-	<b>(9,109,888)</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**

**(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 : 18th June 2021

## **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 18<sup>th</sup> June 2021.

## **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.

**xvii. Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

The MCA notification for Schedule III- On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Technocraft Tabla Formwork Systems Private Limited**  
**Notes to the Financial Statements for the year ended 31st March 2021**

(Amount in ₹)

**Note 3 : Deferred Tax Asset**

Particulars	As at 31-Mar-21	As at 31-Mar-20
MAT Credit Entitlements	-	1,192,822
<b>Total Deferred Tax</b>	<b>-</b>	<b>1,192,822</b>

**Note - 4 : Financial Assets**

**Note 4 : Cash and cash equivalents**

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>Balances with Banks</b>		
- In current account	133,291	163,313
<b>Total Cash and Cash Equivalents</b>	<b>133,291</b>	<b>163,313</b>

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

Particulars	As at 31-Mar-21	As at 31-Mar-20
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-21	As at 31-Mar-20
<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 2021		As on 31st March 2020	
	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

**Technocraft Tabla Formwork Systems Private Limited**  
**Notes to the Financial Statements for the year ended 31st March 2021**

(Amount in ₹)

**c) Shares held by Holding Company**

Particulars	As on 31st March 2021		As on 31st March 2020	
	Number	₹	Number	₹
Technocraft Industries (India) Limited	649,995	6,499,950	649,995	6,499,950

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

Name of the Sharholder	Equity Shares			
	As on 31st March 2021		As on 31st March 2020	
	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 Preceeding 31st March 2021.

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

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>Retained Earnings</b>		
Opening Balance	(7,887,044)	(7,866,064)
Add : Net Profit / (loss) for the year	(1,222,844)	(20,980)
<b>Closing Balance</b>	<b>(9,109,888)</b>	<b>(7,887,044)</b>

**Note 7 : Other Financial Liabilities**

Particulars	As at 31-Mar-21	As at 31-Mar-20
Liabilities For Expenses	5,900	5,900
<b>Total Other Financial Liabilites</b>	<b>5,900</b>	<b>5,900</b>

**Technocraft Tabla Formwork Systems Private Limited**  
**Notes to the Financial Statements for the year ended 31st March 2021**

(Amount in ₹)

**Note 8 : Other Income**

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Other Non Operating Income	10,000	-
<b>Total Other Income</b>	<b>10,000</b>	<b>-</b>

**Note 9 : Other expenses**

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Licence , Legal & Professional Expenses	27,442	9,000
Filing Fees	3,000	2,400
Rent , Rates & Taxes	3,680	3,680
Payment to Auditors - Note 9(a) below	5,900	5,900
<b>Total Other Expenses</b>	<b>40,022</b>	<b>20,980</b>

**Note 9 (a) : - Details of Payment to Auditors**

Particulars	Year Ended 31-Mar-21	Year Ended 31-Mar-20
<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 10 : 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-Mar-21	Year Ended 31-Mar-20
Net Profit \ (Loss) after tax available for equity shareholders	(1,222,844)	(20,980)
Weighted Average number of Equity Shares	1,000,000	1,000,000
Basic Earning per share (on Face Value of ₹ 10/- per Share)	(1.22)	(0.02)
Diluted Earning per share (on Face Value of ₹ 10/- per Share)	(1.22)	(0.02)

**Note 11 : 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.Technosoft Engineering Inc.  
(Formerly Known as Impact Engineering Solutions Inc.)
- 9 Technosoft Innovations Inc.
- 10.Technosoft GMBH
- 11.AAIT/ Technocraft Scaffold Distribution LLC
- 12.High Mark International Trading -F.Z.E
- 13.Technosoft Services Inc.
- 14.Technosoft Engineering UK Ltd
- 15.Benten Technologies LLP
- 16.Shivale Infraproducts Private Limited
- 17.Technocraft Fashions Limited (w.e.f. 15th Oct 2020)

(Amount in ₹)

<b>Transcations carried out during the Period</b>	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
<b>Rent Paid</b>		
Technocraft Industries (India) Limited	1,180	1,180

**Note-**

1.No Amount was receivable / Payable to related Parties as at 31st March 2021 & 31st March 2020

**Note 12 : 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-21	31-Mar-20	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>						
<b>Amortised Cost</b>						
Trade Receivables	-	-	-	-	-	-
Cash and Cash Equivalents	133,291	163,313	-	-	-	-
Other Financial Assets						
- Security Deposit	-	-	-	-	-	-
- Other	-	-	-	-	-	-
<b>Total Assets</b>	<b>133,291</b>	<b>163,313</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 13: 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 14 : 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 Revenue from its operations. 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 2021, 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 2021.

g) During the year, Company has reversed MAT Credit Entitlement & has not created any deferred tax assets on carry forward of losses under tax laws, due to lack of virtual certainty over the availability of Sufficient future taxable income against which such deferred tax assets can be realised.

h) Note 1 to 14 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**

**(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 : 18th June 2021



TECHNO DEFENCE PRIVATE  
LIMITED,  
INDIA

# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Financial Statements

### **Opinion**

We have audited the accompanying IND AS financial statements of **TECHNO DEFENCE PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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 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, 2021, 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 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 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 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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March 2021. These matters were addressed in the context of our audit of the 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 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 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 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 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 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 Ind AS Financial Statements**

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March 2021 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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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**

**Place of Signature: Mumbai  
Date: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAAZ5872**

## **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 Financial Statements for the year ended 31<sup>st</sup> March 2021, 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 company does not own any Immovable Property and hence the provisions of clause 3 (i) (c) of the order are not applicable to the company.
2. The stock of Work In Progress have been physically verified during the year by the Management. In our opinion, the procedures of physical verification of the above Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
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, 2021 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. 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:18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAAAZ5872**

## **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 2021. 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 2021 in conjunction with our audit of the 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place of Signature: Mumbai  
Date: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAAAZ5872**

**Techno Defence Private Limited**  
(CIN - U74999MH2016PTC287143)  
**Balance Sheet as at 31st March 2021**

(Amount in ₹)			
Particulars	Note No.	As at 31-Mar-21	As at 31-Mar-20
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property, Plant and Equipment	3	63,880	-
Deferred tax asset	4	41,197	-
<b>Total Non - Current Assets</b>		<b>105,077</b>	-
<b>Current Assets</b>			
Inventories	5	4,693,069	-
Financial Assets			
Cash and cash equivalents	6	491,779	22,170
Other Current Assets	7	10,048,798	-
<b>Total Current Assets</b>		<b>15,233,646</b>	<b>22,170</b>
<b>Total Assets</b>		<b>15,338,723</b>	<b>22,170</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	8(a)	100,000	100,000
Other Equity	8(b)	(109,751)	(83,730)
<b>Total Equity</b>		<b>(9,751)</b>	<b>16,270</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Trade Payable	9(a)		
Total outstanding dues of Micro & Small Enterprises		-	-
Total Outstanding dues of creditors, Other than Micro & Small Enterprise		90,247	-
Other Financial Liabilities	9(b)	681,036	5,900
Other current liabilities	10	14,577,191	-
<b>Total Current Liabilities</b>		<b>15,348,474</b>	<b>5,900</b>
<b>Total Equity and Liabilities</b>		<b>15,338,723</b>	<b>22,170</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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

**Techno Defence Private Limited**

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

(Amount in ₹)

Particulars	Note No.	Year Ended 31-Mar-21	Year Ended 31-Mar-20
Revenue from Operations		-	-
<b>Total Income</b>		<b>-</b>	<b>-</b>
<b>Expenses</b>			
Changes in Inventories of Work in Progress	11	(4,693,069)	-
Employee benefits expenses	12	1,272,206	-
Finance costs	13	148	-
Other expenses	14	3,487,933	23,780
<b>Total expenses</b>		<b>67,218</b>	<b>23,780</b>
<b>Profit/(loss) before tax</b>		<b>(67,218)</b>	<b>(23,780)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(41,197)	884
<b>Total tax expenses</b>		<b>(41,197)</b>	<b>884</b>
<b>Profit /(Loss) for the year</b>		<b>(26,021)</b>	<b>(24,664)</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>(26,021)</b>	<b>(24,664)</b>
<b>Earnings per equity share ( nominal face value of ₹ 10/- each)</b>			
1) Basic	15	(2.60)	(2.47)
2) Diluted		(2.60)	(2.47)
<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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

**Techno Defence Private Limited**

**Cash Flow Statement for the year ended 31st March 2021**

(Amount in ₹)

Particulars	Year ended 31-Mar-2021	Year ended 31-Mar-2020
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax from continuing operations	(67,218)	(23,780)
<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>(67,218)</b>	<b>(23,780)</b>
<b>Working capital adjustments</b>		
(Increase)/Decrease in Inventories	(4,693,069)	-
(Increase)/Decrease in Other receivables	(10,048,798)	-
Increase/ (Decrease) in trade and other payables	15,342,574	(1,000)
<b>Cash Generated from / (used) in operations</b>	<b>533,489</b>	<b>(24,780)</b>
Income Tax paid (net of Refunds)	-	-
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>533,489</b>	<b>(24,780)</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant & Equipment	(63,880)	-
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	<b>(63,880)</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>	469,609	(24,780)
Cash and cash equivalents at the beginning of the Year	22,170	46,950
<b>Cash and cash equivalents at the end of the Year</b>	<b>491,779</b>	<b>22,170</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 2021	As at 31st March 2020
<b>a) Cash and Cash Equivalents</b>		
In Current Account	491,779	22,170
<b>Total</b>	<b>491,779</b>	<b>22,170</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**

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

sd/-

**Sharad Kumar Saraf**

DIRECTOR

DIN :00035843

sd/-

**Sudarshan Kumar Saraf**

DIRECTOR

DIN :00035799

**Techno Defence Private Limited**

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

(Amount in ₹)

<b>EQUITY SHARE CAPITAL :</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>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March,2021</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 2019</b>	(59,066)	-	(59,066)
Profit / ( Loss) for the year after tax	(24,664)	-	(24,664)
Other Comprehensive Income for the year after tax	-	-	-
<b>Balance as at 31st March,2020</b>	<b>(83,730)</b>	-	<b>(83,730)</b>
Profit / ( Loss) for the year after tax	(26,021)	-	(26,021)
Other Comprehensive Income for the year after tax	-	-	-
<b>Balance as at 31st March,2021</b>	<b>(109,751)</b>	-	<b>(109,751)</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**

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

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 18<sup>th</sup> June 2021.

### **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. Revenue is net of Goods & Service Tax collected on behalf of the Government.

### **Contract Balances**

#### **Contract Asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the Customer. If the Company performs by transferring goods or 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's right 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 Liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of Consideration is due) from the Customer. If a customer pays consideration before the Company transfers goods or 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 receivable) 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**

Dividend Income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on all debt 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.

### **v) Inventories**

Inventories of Raw Materials, Finished Goods and Semi-Finished Goods, are valued at cost or net realizable value, whichever is lower. Goods in transit are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognized as interest expense over the period of financing under the effective interest method.

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

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

## **vii) 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. Depreciation is provided from the end of the Quarter in which additions are made.

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.

## **viii) 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.



## ix) 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.

**x) 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.

**xi) 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.

**xii) 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.

**xiii) 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.

**xiv) 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

**xv) 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.

**xvi) 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.

**xvii) 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

**xviii) 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.

**xix) 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.

**xx) Operating Segments**

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

**xxi) Significant accounting judgments, estimates and assumptions:**

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
- Estimation of Provisions and Contingencies

**xxii) Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

The MCA notification for Schedule III- On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Techno Defence Private Limited**  
Notes to the Financial Statements for the year ended 31st March, 2021

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

(Amount in `)		
Particulars	Computer	Total
<b>Year Ended 31st March, 2020</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	-	-
Additions	-	-
Disposals	-	-
Transfers	-	-
<b>Closing Gross Carrying Amount</b>	-	-
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	-	-
Depreciation charge during the year	-	-
Disposals	-	-
Transfers	-	-
<b>Closing Accumulated Depreciation</b>	-	-
<b>Net Carrying Amount</b>	-	-
<b>Year Ended 31st March, 2021</b>		
<b>Gross Carrying Amount</b>		
Opening Gross Carrying Amount	-	-
Additions	63,880	<b>63,880</b>
Disposals	-	-
Transfers	-	-
<b>Closing Gross Carrying Amount</b>	<b>63,880</b>	<b>63,880</b>
<b>Accumulated Depreciation</b>		
Opening Accumulated Depreciation	-	-
Depreciation charge during the year	-	-
Disposals	-	-
Transfers	-	-
<b>Closing Accumulated Depreciation</b>	-	-
<b>Net Carrying Amount</b>	<b>63,880</b>	<b>63,880</b>

**Notes**

1) All Property, Plant and equipment are held in the name of the Company

**Note 4 : Deferred Tax Assets**

The balance comprises temporary differences attributable to :

Particulars	As at 31-Mar-21	As at 31-Mar-20
Preliminary Expense for tax purpose	-	-
Business Loss	41,197	-
<b>Total Deferred Tax Assets</b>	<b>41,197</b>	-
Set - off of deferred tax liabilities pursuant to set - off provisions	-	-
<b>Net Deferred Tax Assets</b>	<b>41,197</b>	-

**Movement in Deferred Tax Assets**

Particulars	Net balance as at 1st April 2020	Credit/(Charge) in profit or loss	Credit/(Charge) in OCI	Net balance as at 31/03/2021
<b>Deferred tax Asset / (Liabilities)</b>				
Preliminary Expenses	-	-	-	-
Business Loss	-	41,197	-	41,197
<b>Deferred Tax Assets/(Liabilities) - Net</b>	-	<b>41,197</b>	-	<b>41,197</b>

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)	-	-
Business Loss	-	-	-	-
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<b>884</b>	<b>(884)</b>	-	-

**Note 5 : Inventories**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Work In Progress	4,693,069	-
<b>Total Inventories</b>	<b>4,693,069</b>	-

**Note 6 : Cash and cash equivalents**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Balances with Banks		
- In current accounts	471,779	22,170
Cash on Hand	20,000	-
<b>Total Cash and Cash Equivalents</b>	<b>491,779</b>	<b>22,170</b>

**Note 7 : Other Current Assets**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Balance With Statutory Authorities	532,415	-
Others	9,516,383	-
<b>Total Other Current Asset</b>	<b>10,048,798</b>	-

**Techno Defence Private Limited**

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

(Amount in ₹)

**Equity**

**Note 8(a) : Equity Share Capital**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<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 2021		As on 31st March 2020	
	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

**c) Shares held by Holding Company**

Particulars	As on 31st March 2021		As on 31st March 2020	
	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 2021		As on 31st March 2020	
	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 8(b) : Other Equity**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Retained Earnings</b>		
Opening Balance	(83,730)	(59,066)
Add / (Less) : Total Comprehensive Income / (loss) for the year	(26,021)	(24,664)
<b>Closing Balance</b>	<b>(109,751)</b>	<b>(83,730)</b>

**Note 9(a) : Trade payables**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
<b>Current</b>		
Amounts due to related parties	-	-
Total Outstanding dues to Micro & Small Enterprises	-	-
Others	90,247	-
<b>Total Trade Payables</b>	<b>90,247</b>	<b>-</b>

**Dues to Micro and Small Enterprises**

The Company has no dues to suppliers registered under Micro , Small and Medium Enterprises Development Act ,2006 ( "MSMED Act" ) throughout the year & hence the disclosures Pursuant to the said MSMED Act are not applicable to the Company. 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

**Techno Defence Private Limited**

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

(Amount in ₹)

**Note 9(b) : Other Financial Liabilities**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Liabilities For Expenses	681,036	5,900
<b>Total Other Financial Liabilities</b>	<b>681,036</b>	<b>5,900</b>

**Note 10 : Other Current Liabilities**

Particulars	As at 31st Mar 2021	As at 31st Mar 2020
Advances from customers-Contract Liability	14,383,738	-
Other Liabilities	193,453	-
<b>Total Other Current Liabilities</b>	<b>14,577,191</b>	<b>-</b>

**Note 11 : Changes in inventories of work - in - progress**

Particulars	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
<b>Opening Balances</b>		
Work - in - Progress	-	-
<b>Total Opening Balances</b>	<b>-</b>	<b>-</b>
<b>Closing Balances</b>		
Work - in - Progress	4,693,069	-
<b>Total Closing Balances</b>	<b>4,693,069</b>	<b>-</b>
<b>Total Changes in inventories of work-in-progress</b>	<b>(4,693,069)</b>	<b>-</b>

**Note 12 : Employee Benefits Expenses**

Particulars	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
Salaries, Wages, Bonus, allowances Etc.	1,272,206	-
<b>Total Employee Benefits Expense</b>	<b>1,272,206</b>	<b>-</b>

**Note 13 : Finance Cost**

Particulars	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
Bank Charges	148	-
<b>Finance Cost expended in Profit or Loss</b>	<b>148</b>	<b>-</b>



**Techno Defence Private Limited**

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

(Amount in ₹)

**Note 14 : Other expenses**

Particulars	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
Consumption of Stores and Spares & Other Consumable Items	250,646	-
Labour Charges	73,500	-
Inspection & Testing Charges	6,900	-
Computer Expenses	11,048	-
Traveling & Conveyance Expenses	313,592	-
Legal & Professional Exps	2,790,900	13,000
Payment to Auditors - Refer Note 14 (a) below	5,000	5,900
Rent, Rates & Taxes	23,417	4,880
Printing & Stationery	4,338	-
Postage, Telegram & Telephone Expenses	2,214	-
Miscellaneous Expenses	6,378	-
<b>Total Other expenses</b>	<b>3,487,933</b>	<b>23,780</b>

**Note 14 (a) : - Details of Payment to Auditors**

Particulars	Year Ended 31st Mar 2021	Year Ended 31st Mar 2020
<b>Payment to Auditors</b>		
<b>As Auditor :</b>		
Audit Fees	5,000	5,900
<b>Total Payment to Auditors</b>	<b>5,000</b>	<b>5,900</b>

**Note 15 : 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 31st March 2021	Year Ended 31st March 2020
i)	Net Profit \ (Loss) for the year	(26,021)	(24,664)
ii)	Weighted Average No of Equity Shares Outstanding	10,000	10,000
iii)	Basic Earning per share	(2.60)	(2.47)
iv)	Diluted Earning per share	(2.60)	(2.47)

**Note 16 : 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.Technosoft Engineering Inc.  
(Formerly Known as Impact Engineering Solutions Inc.)
9. Technosoft Innovations Inc.
- 10.Technosoft GMBH
- 11.AAIT/ Technocraft Scaffold Distribution LLC
- 12.High Mark International Trading -F.Z.E
- 13.Technosoft Services Inc.
- 14.Technosoft Engineering UK Ltd
- 15.Benten Technologies LLP
- 16.Shivale Infraproducts Private Limited
- 17.Technocraft Fashions Limited (w.e.f. 15th Oct 2020)

**(Amount in ₹)**

<b>Transactions carried out during the year</b>	<b>Year ended 31st March 2021</b>	<b>Year ended 31st March 2020</b>
<b>Rent Paid</b>		
Technocraft Industries (India) Limited	1,180	1,180
<b>Advance taken from Customers</b>		
Technocraft Industries (India) Limited	14,383,738	-

<b>Amount due to / From Related Parties</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
<b>Other Payable (Customer Advance)</b>		
Technocraft Industries (India) Limited	14,383,738	-

**Note**

The transactions with related parties are made on terms equivalent to those that are Prevailing in arm's Length transactions .Outstanding balances at the year end are unsecured .

## Note 17: 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-21	Carrying Value 31-Mar-20
<b>Financial Assets-at amortised cost</b>		
<b>Current</b>		
Cash and Cash Equivalents	491,779	22,170
Others	10,048,798	-
<b>Total Assets</b>	<b>10,540,577</b>	<b>22,170</b>
<b>Financial Liabilities-at amortised cost</b>		
<b>Current</b>		
Trade Payable	90,247	-
Other Financial Liabilities	681,036	5,900
Others	14,577,191	-
<b>Total Liabilities</b>	<b>15,348,474</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

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its Financial obligations on time, or at a reasonable price. Prudent liquidity risk management implies maintaining sufficient Liquidity to meet its timely financial obligations when due. The Management continuously monitors rolling forecasts of the Company's Liquidity position and cash and cash equivalents on the basis of the expected cash flows and ensures that all the Financial obligations are met timely.

### Maturity patterns of other Financial Liabilities

#### As at 31st March ,2021

	Amount in ₹			
	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	90,247	-	-	90,247
Other Financial Liabilities	681,036	-	-	681,036
<b>Total</b>	<b>771,283</b>	<b>-</b>	<b>-</b>	<b>771,283</b>

#### As at 31st March ,2020

	Amount in ₹			
	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	-	-	-	-
Other Financial Liabilities	5,900	-	-	5,900
<b>Total</b>	<b>5,900</b>	<b>-</b>	<b>-</b>	<b>5,900</b>

## Note 18: Capital Management

### a) Risk Management :

The Company has no debts and hence 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 19 : 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 revenue from its operations. 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 2021, the Company had no Contingent Liabilities / Contingent Assets.

e) Note 1 to 19 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**

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

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 Financial Statements

### **Opinion**

We have audited the accompanying IND AS financial statements of **SHIVALE INFRAPRODUCTS PRIVATE LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended and 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 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, 2021, 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 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 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 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 Ind AS financial statements for the financial year ended 31<sup>st</sup> March, 2021. These matters were addressed in the context of our audit of the 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 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 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 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 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 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 Ind AS Financial Statements**

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial Year ended 31<sup>st</sup> March 2021 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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2021 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: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAAAY4852**

## **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 Financial Statements for the Year ended 31<sup>st</sup> March 2021, 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. The stock of Finished Goods has been physically verified during the year by the Management. In our opinion, the procedures of physical verification of the above Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business. In respect of inventories lying with the third parties, these have substantially been confirmed by them.
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, 2021 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. 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: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAAAY4852**

## **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 Year ended 31<sup>st</sup> March 2021. 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 2021 in conjunction with our audit of the 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 years 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place of Signature: Mumbai  
Date: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAAAY4852**

**Shivale Infraproducts Private Limited**

(CIN - U28994MH2019PTC333761)

**Balance Sheet as at 31st March 2021**

(Amount in ₹)

Particulars	Note No.	As at 31-Mar-21	As at 31-Mar-20
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Deferred tax asset	3	126,562	61,116
<b>Total Non - Current Assets</b>		<b>126,562</b>	<b>61,116</b>
<b>Current Assets</b>			
Inventories	4	16,142,676	-
Financial Assets			
Cash and cash equivalents	5	1,007,709	263,069
Other Current Assets	6	2,948,683	-
<b>Total Current Assets</b>		<b>20,099,068</b>	<b>263,069</b>
<b>Total Assets</b>		<b>20,225,630</b>	<b>324,185</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity Share Capital	7(a)	500,000	500,000
Other Equity	7(b)	(376,308)	(181,715)
<b>Total Equity</b>		<b>123,692</b>	<b>318,285</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	8		
Total outstanding dues of Micro & Small Enterprises		-	-
Total Outstanding dues of creditors , other than Micro & Small Enterprise		19,437,098	-
Other Financial Liabilities	9	664,840	5,900
<b>Total Current Liabilities</b>		<b>20,101,938</b>	<b>5,900</b>
<b>Total Equity and Liabilities</b>		<b>20,225,630</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**

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

PLACE: MUMBAI  
 DATE : 18th June 2021

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

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

**Shivale Infraproducts Private Limited**

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

(Amount in ₹)

Particulars	Note No.	Year Ended 31-Mar-21	Period Ended 31-Mar-20
<b>Income</b>			
Revenue from Operations	10	90,539	-
<b>Total Income</b>		<b>90,539</b>	<b>-</b>
<b>Expenses</b>			
Purchases of Stock-in-Trade		16,472,118	-
Changes in inventories	11	(16,142,676)	-
Finance costs	12	236	-
Other expenses	13	20,900	242,831
<b>Total expenses</b>		<b>350,578</b>	<b>242,831</b>
<b>Profit/(loss) before tax</b>		<b>(260,039)</b>	<b>(242,831)</b>
<b>Tax expense:</b>			
(1) Current tax		-	-
(2) Deferred tax		(65,446)	(61,116)
<b>Total tax expenses</b>		<b>(65,446)</b>	<b>(61,116)</b>
<b>Profit /(Loss) for the year</b>		<b>(194,593)</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>-</b>
<b>Total Comprehensive Income for the year after tax</b>		<b>(194,593)</b>	<b>(181,715)</b>
<b>Earnings per equity share ( Face value of ₹ 10/- each)</b>			
	14		
1) Basic		(3.89)	(3.63)
2) Diluted		(3.89)	(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/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

**Shivale Infraproducts Private Limited**

**Cash Flow Statement for the Year ended 31st March 2021**

(Amount in ₹)

Particulars	Year ended 31-Mar-2021	Period ended 31-Mar-2020
<b>CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>		
Profit before exceptional items & tax	(260,039)	(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>(260,039)</b>	<b>(242,831)</b>
<b>Working capital adjustments</b>		
(Increase)/Decrease in Inventories	(16,142,676)	-
(Increase)/Decrease in Other receivables	(2,948,683)	-
Increase/ (Decrease) in trade and other payables	20,096,038	5,900
<b>Cash Generated from / (used) in operations</b>	<b>744,640</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>744,640</b>	<b>(236,931)</b>
<b>CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>		
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	-	-
<b>CASH FLOW ARISING FROM FINANCING ACTIVITIES :</b>		
Proceeds from issue of equity 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>744,640</b>	<b>263,069</b>
Cash and cash equivalents at the beginning of the year	263,069	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,007,709</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 2021	As at 31st March 2020
<b>a) Cash and Cash Equivalents</b>		
In Current Account	1,007,709	263,069
<b>Total</b>	<b>1,007,709</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/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021



**Shivale Infraproducts Private Limited**

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

(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>	<b>Changes in equity share capital during the year</b>	<b>Balance as at 31st March, 2021</b>
Paid up Capital (Equity Shares of ₹ 10/- each Issued , Subscribed & Fully Paid Up)	500,000	-	500,000	-	500,000

(Amount in ₹)

<b>OTHER EQUITY :</b>	<b>Reserves &amp; Surplus</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>
Profit / ( Loss) for the Year	(194,593)	-	(194,593)
Other Comprehensive Income for the Year	-	-	-
<b>Balance as at 31st March,2021</b>	<b>(376,308)</b>	-	<b>(376,308)</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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

## **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 18<sup>th</sup> June 2021.

## **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. Revenue is net of Goods & Service Tax collected on behalf of the Government.

#### **Contract Balances**

##### **Contract Asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the Customer. If the Company performs by transferring goods or 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's right 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 Liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of Consideration is due) from the Customer .If a customer pays consideration before the Company transfers goods or 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 receivable) 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**

Dividend Income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on all debt 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.

## v) Inventories

Inventories of Finished Goods are valued at cost or net realizable value, whichever is lower. Goods in transit are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognized as interest expense over the period of financing under the effective interest method.

## vi) 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.

## vii) 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 as significant increase in credit risk.

**viii) 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.

**ix) 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.

## x) 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.

## xi) 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.

## xii) 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

## xiii) 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.

#### **xiv) 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.

#### **xv) 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

#### **xvi) 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.

#### **xvii) 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.

#### **xviii) Operating Segments**

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

#### **xix) Significant accounting judgments, estimates and assumptions:**

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
- Estimation of Provisions and Contingencies

#### **xiii) Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

The MCA notification for Schedule III- On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**Shivale Infraproducts Private Limited**

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

(Amount in ₹)

**Note 3 : Deferred tax asset**

The balance comprises temporary differences attributable to :

Particulars	As at 31-Mar-21	As at 31-Mar-20
Preliminary Expenses for tax purpose	35,054	46,738
Business Loss	91,509	14,378
<b>Total Deferred Tax Assets</b>	<b>126,562</b>	<b>61,116</b>

**Movement in Deferred Tax Assets**

Particulars	As at 1st April, 2020 Deferred Tax Assets / (Liabilities)	Credit/(Charge) in Statement of profit or loss	Credit/(Charge) in OCI	As at 31st March, 2021 Deferred Tax Assets / (Liabilities)
<b>Deferred tax Asset /(Liabilities)</b>				
Preliminary Expenses	46,738	(11,684)	-	35,054
Business Loss	14,378	77,131	-	91,509
<b>Deferred Tax Assets / (Liabilities )</b>	<b>61,116</b>	<b>65,446</b>	-	<b>126,562</b>

Particulars	As at 28th November, 2019 Deferred Tax Assets / (Liabilities)	Credit/(Charge) in Statement of profit or loss	Credit/(Charge) in OCI	As at 31st March, 2020 Deferred Tax Assets / (Liabilities)
<b>Deferred tax Asset /(Liabilities)</b>				
Preliminary Expenses	-	46,738	-	46,738
Business Loss	-	14,378	-	14,378
<b>Deferred Tax Assets / (Liabilities)</b>	-	<b>61,116</b>	-	<b>61,116</b>

**Note 4 : Inventories**

Particulars	As at 31-Mar-21	As at 31-Mar-20
Finished Goods	16,142,676	-
<b>Total Inventories</b>	<b>16,142,676</b>	-

**Note 5 : Cash and cash equivalents**

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>Balances with Banks</b>		
- In current accounts	1,007,709	263,069
<b>Total Cash and Cash Equivalents</b>	<b>1,007,709</b>	<b>263,069</b>

**Note 6 : Other Current Assets**

Particulars	As at 31-Mar-21	As at 31-Mar-20
Balance With Statutory Authorities	2,948,683	-
<b>Total Other Current Asset</b>	<b>2,948,683</b>	-

**Shivale Infraproducts Private Limited**

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

(Amount in ₹)

**Equity**

**Note 7(a) : Equity Share Capital**

Particulars	As at 31-Mar-21	As at 31-Mar-20
<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>		
50,000 (P.Y. 50,000 ) Equity Shares of ₹ 10/- Each Fully Paid Up	500,000	500,000
	<b>500,000</b>	<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.

**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 2021		As on 31st March 2020	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	50,000	500,000	-	-
Shares issued during the year	-	-	50,000	500,000
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	500,000	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 2021		As on 31st March 2020	
	Number	₹	Number	₹
Technocraft Industries (India) Ltd & its nominees * (Holding Company)	50,000	500,000	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 7(b) : Other Equity**

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>Retained Earnings</b>		
Opening Balance	(181,715)	-
Add / (Less) : Total Comprehensive Income for the year	(194,593)	(181,715)
<b>Closing Balance</b>	<b>(376,308)</b>	<b>(181,715)</b>

**Note 8 : Trade Payable**

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>Current</b>		
Amounts due to related parties	19,437,098	-
Total Outstanding dues to Micro & Small Enterprises	-	-
Others	-	-
<b>Total Trade Payables</b>	<b>19,437,098</b>	<b>-</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' ) throughout the year & hence disclosures pursuant to the said MSME Act is not applicable to the Company.

**Shivale Infraproducts Private Limited**

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

(Amount in ₹)

**Note 9 : Other Financial Liabilities**

Particulars	As at 31-Mar-21	As at 31-Mar-20
<b>Security Deposit From :</b>		
Customers	659,840	-
Liabilities For Expenses	5,000	5,900
<b>Total Other Financial Liabilities</b>	<b>664,840</b>	<b>5,900</b>

**Note 10 : Revenue From Operations**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
Rendering of Services (Rental Income from Scaffolding)	90,539	-
<b>Total Revenue from Continuing Operations</b>	<b>90,539</b>	<b>-</b>

**Contract Balances**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
Trade Receivables	-	-
Contract Liabilities ( Advance from Customers )	-	-

**Reconciling the Amount recognised in the statement of Profit & Loss with the contracted prices**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
Contract Price	90,539	-
Less Discount , rebates , returns , claims etc	-	-
<b>Total Revenue from Operations as per statement of Profit &amp; Loss</b>	<b>90,539</b>	<b>-</b>

**Note 11 : Changes in Inventories**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
<b>Opening Balances</b>		
Finished Goods	-	-
<b>Total Opening Balances</b>	<b>-</b>	<b>-</b>
<b>Closing Balances</b>		
Finished Goods	16,142,676	-
<b>Total Closing Balances</b>	<b>16,142,676</b>	<b>-</b>
<b>Total Changes in inventories</b>	<b>(16,142,676)</b>	<b>-</b>

**Shivale Infraproducts Private Limited**

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

(Amount in ₹)

**Note 12 : Finance Cost**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
Bank Charges	236	-
<b>Finance Cost expensed in Profit or Loss</b>	<b>236</b>	<b>-</b>

**Note 13 : Other expenses**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
Licence & Legal Fees	2,400	230,431
Professional Fees	11,000	4,000
Rent , Rates & Taxes	2,500	2,500
Payment to Auditors - <b>Note 13(a) below</b>	5,000	5,900
<b>Total Other expenses</b>	<b>20,900</b>	<b>242,831</b>

**Note 13 (a) : - Details of Payment to Auditors**

Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
<b>Payment to Auditors</b>		
As Auditor :		
Audit Fees	5,000	5,900
<b>Total Payment to Auditors</b>	<b>5,000</b>	<b>5,900</b>

**Note 14 : Earnings per equity share ( Face value of ₹ 10/- each)**

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

Sr No	Particulars	Year Ended 31-Mar-21	Period Ended 31-Mar-20
i)	Net Profit \ (Loss) after tax available for equity shareholders	(194,593)	(181,715)
ii)	Weighted average number of Equity Shares outstanding	50,000	50,000
iii)	Basic Earning per share (in ₹)	(3.89)	(3.63)
iv)	Diluted Earning per share (in ₹)	(3.89)	(3.63)

**Note 15 : 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.Technosoft Engineering Inc.  
(Formerly Known as Impact Engineering Solutions Inc.)
- 9 Technosoft Innovations Inc.
- 10.Technosoft GMBH
- 11.AAIT/ Technocraft Scaffold Distribution LLC
- 12.High Mark International Trading -F.Z.E
- 13.Technosoft Services Inc.
- 14.Technosoft Engineering UK Ltd
- 15.Benten Technologies LLP
- 16.Techno Defence Private Limited
- 17.Technocraft Fashions Limited (w.e.f 15th Oct 2020)

**(Amount in ₹)**

<b>Transactions carried out during the year</b>	<b>Year ended 31st March 2021</b>	<b>Period ended 31st March 2020</b>
<b>A.Subscription to Equity Share Capital</b>		
Technocraft Industries (India) Limited	-	500,000
<b>B. Purchase of Goods &amp; Services</b>		
Technocraft Industries (India) Limited	16,472,118	-

<b>Amount due to / From Related Parties</b>	<b>As at 31st March 2021</b>	<b>As at 31st March 2020</b>
<b>A.Trade Payable</b>		
Technocraft Industries (India) Limited	19,437,098	-

**Note**

1.The transactions with related parties are made on terms equivalent to those that are prevailing in arm's Length transaction.Outstanding balances at the year end are unsecured .

**Note 16: 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-21	Carrying Value 31-Mar-20
<b>Financial Assets at amortised cost</b>		
<b>Current</b>		
Cash and Cash Equivalents	1,007,709	263,069
<b>Total Assets</b>	<b>1,007,709</b>	<b>263,069</b>
<b>Financial Liabilities at amortised cost</b>		
<b>Current</b>		
- Trade payables	19,437,098	-
- Other Current Financial Liabilities	664,840	5,900
<b>Total Liabilities</b>	<b>664,840</b>	<b>5,900</b>

**Note : 17 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**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its Financial obligations on time, or at a reasonable price. Prudent liquidity risk management implies maintaining sufficient Liquidity to meet its timely financial obligations when due. The Management continuously monitors rolling forecasts of the Company's Liquidity position and cash and cash equivalents on the basis of the expected cash flows and ensures that all the Financial obligations are met timely.

**Maturity patterns of other Financial Liabilities****As at 31st March ,2021**

	Amount in ₹			
	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	19,437,098	-	-	19,437,098
Other Financial Liabilities (Current & Non Current)	664,840	-	-	664,840
<b>Total</b>	<b>20,101,938</b>	<b>-</b>	<b>-</b>	<b>20,101,938</b>

**As at 31st March ,2020**

	Amount in ₹			
	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	-	-	-	-
Other Financial Liabilities (Current & Non Current)	5,900	-	-	5,900
<b>Total</b>	<b>5,900</b>	<b>-</b>	<b>-</b>	<b>5,900</b>

**Note 18: Capital Risk Management****a) Risk Management :**

The Company has no debts & hence 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 19 : 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**

As per Ind AS 108, the business activities falls within a single primary segment i.e. Renting & selling of Scaffolding items and hence segment reporting is 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 2021, the Company had no Contingent Liabilities / Contingent Assets.

g) Note 1 to 19 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**

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

TECHNOCRAFT FASHIONS  
LIMITED,  
INDIA



# INDEPENDENT AUDITOR'S REPORT

To,  
The Members of **TECHNOCRAFT FASHIONS LIMITED**

## Report on the Financial Statements

### **Opinion**

We have audited the accompanying Ind As financial statements of **TECHNOCRAFT FASHIONS LIMITED**, (“the Company”), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the 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 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, 2021, 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 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 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 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 Ind AS financial statements for the financial Period ended 31<sup>st</sup> March, 2021. These matters were addressed in the context of our audit of the 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 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 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 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 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 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 Ind AS Financial Statements**

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS financial statements for the financial Period ended 31<sup>st</sup> March 2021 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 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAABA7987**

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

### **The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT FASHIONS LIMITED on the Financial Statements for the Period ended 31<sup>st</sup> March, 2021, 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. The stock of Stores & Spares have been physically verified during the year by the Management. In our opinion, the procedures of physical verification of the above Inventories followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
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, 2021 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. 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: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAABA7987**

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

**The Annexure referred to in our Report of even date to the Members of TECHNOCRAFT FASHIONS LIMITED for the Period ended 31<sup>st</sup> March 2021. 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 FASHIONS LIMITED**, (“the Company”) as of 31<sup>st</sup> March 2021 in conjunction with our audit of the 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Place of Signature: Mumbai  
Date: 18<sup>th</sup> June, 2021**

**(V. L. Bajaj) Partner  
Membership No. 104982  
UDIN – 21104982AAAABA7987**



**Technocraft Fashions Limited**  
(CIN - U17299MH2020PLC347998)  
**Balance Sheet as at 31st March 2021**

Particulars	Note No.	(Amount in ₹) As at 31-Mar-21
<b>ASSETS</b>		
<b>Non - Current Assets</b>		
Capital work-in-progress	3	4,240,155
Deferred tax asset	4	22,700
<b>Total Non - Current Assets</b>		<b>4,262,855</b>
<b>Current Assets</b>		
Inventories	5	90,570
<b>Financial Assets</b>		
Trade receivables	6(a)	14,345,837
Cash and cash equivalents	6(b)	300,470
Other Current Assets	7	512,393
<b>Total Current Assets</b>		<b>15,249,270</b>
<b>Total Assets</b>		<b>19,512,125</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	8(a)	500,000
Other Equity	8(b)	(67,493)
<b>Total Equity</b>		<b>432,507</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
<b>Financial Liabilities</b>		
Current Borrowings	9(a)	3,321,849
Trade Payable	9(b)	
Total outstanding dues of Micro & Small Enterprises		15,023,597
Total Outstanding dues of creditors, Other than Micro & Small Enterprise		729,146
Other Financial Liabilities	9(c)	5,026
Other Current Liabilities	10	5,026
<b>Total Current Liabilities</b>		<b>19,079,618</b>
<b>Total Equity and Liabilities</b>		<b>19,512,125</b>

**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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

**Technocraft Fashions Limited**

**Statement of Profit and Loss for the period ended 31st March 2021**

		(Amount in ₹)
<b>Particulars</b>	<b>Note No.</b>	<b>Period Ended 31-Mar-21</b>
Revenue from Operations	11	16,152,867
Other Income	12	10,069
<b>Total Income</b>		<b>16,162,936</b>
<b>Expenses</b>		
Purchase for Trading		15,987,954
Finance Cost	13	67,430
Other expenses	14	197,745
<b>Total expenses</b>		<b>16,253,129</b>
<b>Profit /(loss) before tax</b>		<b>(90,193)</b>
<b>Tax expense:</b>		
(1) Current tax		-
(2) Deferred tax		(22,700)
<b>Total tax expenses</b>		<b>(22,700)</b>
<b>Profit /(Loss) for the period after tax</b>		<b>(67,493)</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>(67,493)</b>
<b>Earnings per equity share ( on nominal face value of ₹ 10/- each)</b>	15	
1) Basic		(1.35)
2) Diluted		(1.35)

**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**

**(V.L.BAJAJ) PARTNER**  
M.NO :104982  
PLACE: MUMBAI  
DATE : 18th June 2021

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

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

**Technocraft Fashions Limited**

**Cash Flow Statement for the Period ended 31st March 2021**

(Amount in ₹)

Particulars	Period ended 31-Mar-2021
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES :</b>	
Profit before exceptional items & tax from continuing operations	(90,193)
<b>Add / (Less) : Adjustments to reconcile profit before tax to net cash used in operating activities</b>	-
Interest expenses	67,014
<b>Operating Profit before Working Capital Changes</b>	<b>(23,179)</b>
<b>Working capital adjustments</b>	
(Increase)/Decrease in Inventories	(90,570)
(Increase)/Decrease in Trade Receivables	(14,345,837)
(Increase)/Decrease in Other receivables	(512,393)
Increase/ (Decrease) in trade and other payables	15,757,769
<b>Cash Generated from / (used) in operations</b>	<b>785,790</b>
Income Tax paid (net of Refunds)	-
<b>Net Cash Inflow/(Outflow) in the course of Operating Activities (A)</b>	<b>785,790</b>
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES :</b>	
Purchase of Property, Plant & Equipment Including Capital Work in Progress	(4,240,155)
<b>Net Cash Inflow/(Outflow) in the course of Investing Activities (B)</b>	<b>(4,240,155)</b>
<b>C. CASH FLOW ARISING FROM FINANCING ACTIVITIES :</b>	
Net Proceeds from Short term Borrowings	3,321,849
Proceeds from issue of share capital	500,000
Interest Paid	(67,014)
<b>Net Cash Inflow/(Outflow) in the course of Financing Activities (C)</b>	<b>3,754,835</b>
<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>300,470</b>
Cash and cash equivalents at the beginning of the Period	-
<b>Cash and cash equivalents at the end of the Period</b>	<b>300,470</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 2021
<b>a) Cash and Cash Equivalents</b>	
In Current Account	300,470
<b>Total</b>	<b>300,470</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**

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

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

**Technocraft Fashions Limited**

**Statement of Changes in Equity for the Period ended 31st March 2021**

(Amount in ₹)

<b>EQUITY SHARE CAPITAL :</b>	<b>Balance as at 15th October, 2020</b>	<b>Changes in equity share capital during the Period</b>	<b>Balance as at 31st March, 2021</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 15th October,2020</b>	-	-	-
Profit / ( Loss) for the Period after tax	(67,493)	-	(67,493)
Other Comprehensive Income for the Period after tax	-	-	-
<b>Balance as at 31st March,2021</b>	<b>(67,493)</b>	-	<b>(67,493)</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**

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

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

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

PLACE: MUMBAI  
DATE : 18th June 2021

## **Note-1 Company Overview**

Technocraft Fashions Limited ("the Company"), was incorporated on 15<sup>th</sup> October 2020, CIN U17299MH2020PLC347998. 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, Opp Tunga Paradise Hotel, MIDC, Andheri (E) Mumbai – 400093 Maharashtra India.

The Company is incorporated to carry on the business of textiles & its related products

**Authorisation of Financial Statements:** The Financial Statements were authorized for issue in accordance with a resolution of the directors on 18<sup>th</sup> June 2021.

## **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.

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 of the Promised goods or services to the Customer and when the customer pays for that goods or services will be within the normal operating cycle ie one year.

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

### **Contract Balances**

#### **Contract Asset**

A contract asset is the right to consideration in exchange for goods or services transferred to the Customer. If the Company performs by transferring goods or 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's right 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 Liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of Consideration is due) from the Customer .If a customer pays consideration before the Company transfers goods or 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 receivable) 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**

Dividend Income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on all debt 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.

### **v) Inventories**

Inventories of Stores & Spares and other components, Packing Materials, Fuel and Oil are valued at cost or net realizable value, whichever is lower. Goods in transit are valued at cost or net realizable value, whichever is lower. Cost comprises of all cost of purchases, cost of conversion and other costs incurred in bringing the inventory to their present location and conditions. Cost is arrived at on FIFO basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

If payment terms for inventory are on deferred basis i.e. beyond normal credit terms, then cost is determined by discounting the future cash flows at an interest rate determined with reference to the market rates. The difference between total cost and deemed cost is recognized as interest expense over the period of financing under the effective interest method.

**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 also included under Capital Work in Progress.

**vii) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and/or 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) Borrowings**

Borrowings are initially recognized at net of transaction Cost incurred and measured at amortized Cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of Profit & Loss over the period of borrowings using the effective Interest method.

**x) 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.

## xi) 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.

**xii) 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.

**xiii) 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.

**xiv) 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.

**xv) 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.

**xvi) 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

**xvii) 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.

**xviii) 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.

**xix) 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

**xx) 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.

**xxi) 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.

**xxii) Operating Segments**

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

**xxiii) Significant accounting judgments, estimates and assumptions:**

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
- Estimation of Provisions and Contingencies

**xxiv) Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards.

The MCA notification for Schedule III- On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1<sup>st</sup> April, 2021. The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Technocraft Fashions Limited**

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

**Note 3 : Capital Work in Progress**

(Amount in ₹)	
Particulars	Capital Work in Progress
<b>Period Ended 31st March, 2021</b>	
<b>Gross Carrying Amount</b>	
Opening Gross Carrying Amount	-
Additions	4,240,155
Disposals	-
Transfers	-
<b>Closing Gross Carrying Amount</b>	<b>4,240,155</b>
<b>Accumulated Depreciation</b>	
Opening Accumulated Depreciation	-
Depreciation charge during the year	-
Disposals	-
Transfers	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>
<b>Net Carrying Amount</b>	<b>4,240,155</b>

**Notes**

**Capital Work in Progress**

Capital Work in Progress is towards expansion of Business Units

**Technocraft Fashions Limited**  
**Notes to the Financial Statements for the period ended 31st March 2021**

(Amount in ₹)

**Note 4 : Deferred tax asset**

The balance comprises temporary differences attributable to :

Particulars	As at 31-Mar-21
Preliminary Expense for tax purpose	19,376
Business Loss	3,324
<b>Total Deferred Tax Assets</b>	<b>22,700</b>
Set - off of deferred tax liabilities pursuant to set - off provisions	-
<b>Net Deferred Tax Assets</b>	<b>22,700</b>

**Movement in Deferred Tax Assets**

Particulars	Net balance as at 15th Oct 2020	Credit/(Charge) in profit or loss	Credit/(Charge) in OCI	Net balance as at 31st March 2021
<b>Deferred tax (Asset)/Liabilities</b>				
Preliminary Expenses	-	19,376	-	19,376
Business Loss	-	3,324	-	3,324
<b>Deferred Tax Assets/(Liabilities) - Net</b>	<b>-</b>	<b>22,700</b>	<b>-</b>	<b>22,700</b>

**Note 5 : Inventories**

Particulars	As at 31-Mar-21
Stores and Spares	90,570
<b>Total Inventories</b>	<b>90,570</b>

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

Particulars	As at 31-Mar-21
Trade Receivables (other than related parties)	14,345,837
Receivables from related parties	-
Trade Receivables which have significant increase in credit risk	-
Trade Receivables -Credit Impaired	-
Less : Allowance for doubtful trade receivables	-
<b>Total Receivables</b>	<b>14,345,837</b>
Current Portion	14,345,837
Non - Current Portion	-
<b>Break-up of security details</b>	
Secured , Considered good	-
Unsecured , Considered good	14,345,837
Doubtful	-
<b>Total</b>	<b>14,345,837</b>
Allowance for doubtful Trade Receivables	-
<b>Total Trade Receivables</b>	<b>14,345,837</b>

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

Particulars	As at 31-Mar-21
Balances with Banks	
- In current accounts	300,470
<b>Total Cash and Cash Equivalents</b>	<b>300,470</b>

**Technocraft Fashions Limited**  
**Notes to the Financial Statements for the period ended 31st March 2021**

(Amount in ₹)

**Note 7 : Other Current Assets**

Particulars	As at 31-Mar-21
Balance With Statutory Authorities	512,393
<b>Total Other Current Asset</b>	<b>512,393</b>

**Equity**

**Note 8(a) : Equity Share Capital**

Particulars	As at 31-Mar-21
<b>Authorised</b>	
2,50,000 Equity Shares of ₹ 10/- Each	2,500,000
	<b>2,500,000</b>
<b>Issued, Subscribed and Fully Paid Up</b>	
50,000 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.

**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 2021	
	Number	₹
Shares outstanding at the beginning of the period	-	-
Shares Issued during the period	50,000	500,000
Shares bought back during the period	-	-
Shares outstanding at the end of the period	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 2021	
	Number	₹
Technocraft Industries (India) Ltd & its nominees * (Holding Company)	50,000	500,000

\* of the total shares of the Company , Six shares are held by the six persons who are acting as the nominees on behalf of Technocraft industries (India) Limited.

**Note 8(b) : Other Equity**

Particulars	As at 31-Mar-21
<b>Retained Earnings</b>	
Opening Balance	-
Add / (Less) : Total Comprehensive Income / ( Loss) for the period after tax	(67,493)
<b>Closing Balance</b>	<b>(67,493)</b>

**Technocraft Fashions Limited**  
**Notes to the Financial Statements for the period ended 31st March 2021**

(Amount in ₹)

**Note 9(a) : Current Borrowings**

Particulars	Interest Rate	As at 31-Mar-21
<b>Unsecured</b>		
<b>From Related Party</b>		
Technocraft Ind (I) Limited (Terms Of Repayment - On Demand)	10%	3,321,849
<b>Total Current Borrowings</b>		<b>3,321,849</b>

**Note 9(b) : Trade payables**

Particulars	As at 31-Mar-21
<b>Current</b>	
Amounts due to related parties	15,023,597
Total Outstanding dues to Micro & Small Enterprises	-
Others	-
<b>Total Trade Payables</b>	<b>15,023,597</b>

**Dues to Micro and Small Enterprises**

The Company has no dues to suppliers registered under Micro , Small and Medium Enterprises Development Act ,2006 ( "MSMED Act" ) throughout the period & hence the disclosures Pursuant to the said MSMED Act are not applicable to the Company. 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

**Note 9(c) : Other Financial Liabilities**

Particulars	As at 31-Mar-21
Liabilities For Expenses	729,146
<b>Total Other Financial Liabilities</b>	<b>729,146</b>

**Note 10: Other Current Liabilities**

Particulars	As at 31-Mar-21
Other Liabilities	5,026
<b>Total Other Current Liabilities</b>	<b>5,026</b>

**Note 11 : Revenue From Operations**

Particulars	Period Ended 31-Mar-21
Sale of products	16,152,867
<b>Total Revenue from Continuing Operations</b>	<b>16,152,867</b>

**Contract Balances**

Particulars	As at 31st March 2021
Trade Receivables	14,345,837
Contract Liabilities ( Advance from Customers)	-

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

Particulars	Period Ended 31st March 2021
Contract Price	16,152,867
<b>Less</b> Discount , rebates , returns, claims etc	-
<b>Total Revenue from Operations as per statement of Profit &amp; Loss</b>	<b>16,152,867</b>

**Technocraft Fashions Limited**  
**Notes to the Financial Statements for the period ended 31st March 2021**

(Amount in ₹)

**Note 12 : Other Income and Other Gains/(Losses)**

Particulars	Period Ended 31-Mar-21
Other Non Operating Income	10,069
<b>Total Other Income</b>	<b>10,069</b>

**Note 13 : Finance Cost**

Particulars	Period Ended 31-Mar-21
<b>Interest</b>	
Interest Expenses (net)	67,014
<b>Other Finance Cost</b>	
Bank Charges	416
<b>Finance Cost expensed in Profit or Loss</b>	<b>67,430</b>

**Note 14 : Other expenses**

Particulars	Period Ended 31-Mar-21
Transport Charges	14,014
Licence & Legal Fees	171,431
Professional Fees	4,800
Rent , Rates & Taxes	2,500
Payment to Auditors - Refer Note No 14 (a) below	5,000
<b>Total Other expenses</b>	<b>197,745</b>

**Note 14 (a) : - Details of Payment to Auditors**

Particulars	Period Ended 31-Mar-21
<b>Payment to Auditors</b>	
<b>As Auditor :</b>	
Audit Fee	5,000
<b>Total Payment to Auditors</b>	<b>5,000</b>

**Note 15 : Earnings per equity share ( on nominal face 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-21
i)	Net Profit \ (Loss) after tax available for equity shareholders	(67,493)
ii)	Weighted average number of Equity Shares of ₹ 10 each	50,000
iii)	Basic Earning per share (in ₹)	(1.35)
iv)	Diluted Earning per share (in ₹)	(1.35)



**Note 16 : 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.Technosoft Engineering Inc.  
(Formerly Known as Impact Engineering Solutions Inc.)
9. Technosoft Innovations Inc.
- 10.Technosoft GMBH
- 11.AAIT/ Technocraft Scaffold Distribution LLC
- 12.High Mark International Trading -F.Z.E
- 13.Technosoft Services Inc.
- 14.Technosoft Engineering UK Ltd
- 15.Benten Technologies LLP
- 16.Techno Defence Private Limited
17. Shivale Infraproducts Private Limited

**Amount in ₹**

<b>Transactions carried out during the Period</b>	<b>Period ended 31st March 2021</b>
<b>A. Subscription to Equity Share Capital</b> Technocraft Industries (India) Limited	500,000
<b>B. Purchase of Traded Goods</b> Technocraft Industries (India) Limited	15,987,954
<b>C.Transport Charges on Purchases</b> Technocraft Industries (India) Limited	14,014
<b>D. Interest Paid on Loan taken</b> Technocraft Industries (India) Limited	67,014
<b>E. Loan Taken</b> Technocraft Industries (India) Limited	3,259,861

<b>Amount due to / From Related Parties</b>	<b>As at 31st March 2021</b>
<b>Loan Outstanding</b>	
Technocraft Industries (India) Limited	3,321,849
<b>Trade Payable</b>	
Technocraft Industries (India) Limited	15,023,597

**Note**

The transactions with related parties are made on terms equivalent to those that are Prevailing in arm's Length transactions.Outstanding balances at the year end are unsecured .

## Note 17: 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-21
<b>Financial Assets-at amortised Cost</b>	
<b>Current</b>	
Trade Receivable	14,345,837
Cash and Cash Equivalents	300,470
Others	512,393
<b>Total Assets</b>	<b>15,158,700</b>
<b>Financial Liabilities-at amortised cost</b>	
<b>Current</b>	
Borrowings	3,321,849
Trade Payable	15,023,597
Other Financial Liabilities	729,146
Others	5,026
<b>Total Liabilities</b>	<b>19,079,618</b>

## Note 18 : Financial Risk Management

### a) 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 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 Company historical trend, industry practices and the business environment in which the entity operates .Loss rates are based on Company Historical Trends . Based on the historical data , no probable loss on collection of receivable is anticipated & hence no provision is considered .

### Ageing of Account receivables

Particulars	(Amount in ₹)
	As at 31st March 2021
Not due	14,345,837
0-90 days	-
91-180 days	-
181 to 270 days	-
271 to 365 days	-
365 days & Above	-
<b>Total</b>	<b>14,345,837</b>

**b) Liquidity Risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its Financial obligations on time, or at a reasonable price .Prudent liquidity risk management implies maintaining sufficient Liquidity to meet its timely financial obligations when due .The Management continuously monitors rolling forecasts of the Company's Liquidity position and cash and cash equivalents on the basis of the expected cash flows and ensures that all the Financial obligations are meet timely.

**Maturity patterns of borrowings**

As at 31st March , 2021				Amount in ₹
Particulars	0-1 years	1-5 years	Beyond 5 years	Total
Short term borrowings	3,321,849	-	-	3,321,849
<b>Total</b>	<b>3,321,849</b>	<b>-</b>	<b>-</b>	<b>3,321,849</b>

**Maturity patterns of other Financial Liabilities**

As at 31st March ,2021				Amount in ₹
Particulars	0-1 years	1-5 years	Beyond 5 years	Total
Trade Payables	15,023,597	-	-	15,023,597
Other Financial Liabilities	729,146	-	-	729,146
<b>Total</b>	<b>15,752,743</b>	<b>-</b>	<b>-</b>	<b>15,752,743</b>

**c) 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

**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.As there was no foreign Currency exposure during the period , the Company does not foresee any Currency risk .

**ii) Interest rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. As the Company borrowings consists of only fixed rate of Interest , there is no interest rate risk to the Company.

## Note 19: Capital Risk Management

### a) 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 and infusing capital if and when required through better operational results and efficient working capital management.

Particulars	Amount in ₹
	As at 31st March ,2021
Net Debt *	3,021,379
Total Equity	432,507
<b>Net Debt to Total Equity</b>	<b>6.99</b>

\*Net Debt= Borrowings -Cash & Cash Equivalents

### b) Dividend

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

## Note 20 : 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

2) As per Ind AS 108, the business activities falls within a single primary segment i.e. dealing in textile products and accordingly segment reporting is not applicable to the Company

c) The Company has incurred losses during the period and accordingly no current tax provision has been made as per local tax regulations.

d) As at 31st March 2021, the Company had no Contingent Liabilities / Contingent Assets.

e) The company is Public Limited Company incorporated on 15th October 2020 .The accounts of the Company relate to the Period from 15th October 2020 to 31st March, 2021. This being first year of operations of the Company, the Figures for previous period have not been given.

f) Note 1 to 20 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

(V.L.BAJAJ) PARTNER

M.NO :104982

PLACE: MUMBAI

DATE : 18th June 2021

sd/-

Sharad Kumar Saraf

**DIRECTOR**

DIN :00035843

sd/-

Sudarshan Kumar Saraf

**DIRECTOR**

DIN :00035799

**BENTEN TECHNOLOGIES LLP,  
INDIA**

**Benten Technologies LLP**  
**LLPIN AAP- 5263**

**Statement of Assets & Liabilities as at 31st March , 2021**

Particulars	Note No	Amount in ₹	
		As at 31st March ,	As at 31st March , 2020
<b>I. <u>CONTRIBUTION &amp; LIABILITIES</u></b>			
<b>Partner's Funds</b>			
a) Fixed Contribution	1	100,000	100,000
b) Current Contribution	2	(12,486)	(8,268)
<b>Liabilities</b>			
Other Current Liabilities	3	1,000	-
<b>Total</b>		<b>88,514</b>	<b>91,732</b>
<b>II. <u>ASSETS</u></b>			
Cash & Cash Equivalents	4	88,514	91,732
<b>Total</b>		<b>88,514</b>	<b>91,732</b>

Significant Accounting Policies and Notes forming part of Accounts 7

**For Benten Technologies LLP**

Place: Mumbai  
Date: 18th June 2021

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 year ended 31st March, 2021**

Particulars	Note No	Amount in ₹	
		Year ended 31-Mar-21	Period ended 31-Mar-20
<b><u>INCOME</u></b>			
Revenue from operations		-	-
<b><u>EXPENSES</u></b>			
Finance Cost	5	118	118
Other Expenses	6	4,100	8,150
		<b>4,218</b>	<b>8,268</b>
<b>Net Profit/(Loss) before Tax</b>		<b>(4,218)</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>(4,218)</b>	<b>(8,268)</b>
Significant Accounting Policies and Notes forming part of Accounts	7		

**For Benten Technologies LLP**

Place: Mumbai  
Date : 18th June 2021

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 year ended 31st March, 2021**

**Note-1**

**Partners Capital Account**

Particulars	Amount in ₹	
	As at 31st March	As at 31st March ,
<b><u>Technocraft Industries India Limited</u></b>		
Opening Balance	50,000	-
Add: Additions During the Period	-	50,000
Less Withdrawals During the Period	-	-
<b>Closing Balance (a)</b>	<b>50,000</b>	<b>50,000</b>
<b><u>Mr.Sanjeev Sinha</u></b>		
Opening Balance	50,000	-
Add: Additions During the Period	-	50,000
Less: Withdrawals During the Period	-	-
<b>Closing Balance (b)</b>	<b>50,000</b>	<b>50,000</b>
<b>Total Partners Capital Account (a+b)</b>	<b>100,000</b>	<b>100,000</b>



**Benten Technologies LLP**

**LLPIN AAP- 5263**

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

**Note-2**

**Partners Current Account**

Amount in ₹

<b>Particulars</b>	<b>As at 31st March ,</b>	<b>As at 31st March , 2020</b>
<b><u>Technocraft Industries India Limited</u></b>		
Opening Balance	(4,134)	-
Add: Additions During the Period	-	-
Add : Share of Profit / (Loss) for the Period	(2,109)	(4,134)
<b>Closing Balance (a)</b>	<b>(6,243)</b>	<b>(4,134)</b>
<b><u>Mr.Sanjeev Sinha</u></b>		
Opening Balance	(4,134)	-
Add: Additions During the Period	-	-
Add : Share of Profit / (Loss) for the Period	(2,109)	(4,134)
<b>Closing Balance (b)</b>	<b>(6,243)</b>	<b>(4,134)</b>
<b>Total Partners Current Account (a+b)</b>	<b>(12,486)</b>	<b>(8,268)</b>

**Benten Technologies LLP**  
**LLPIN AAP- 5263**

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

Amount in ₹

<b>Particulars</b>	<b>As at 31st March ,2021</b>	<b>As at 31st March</b>
<b>Note "3" :- Cash &amp; Cash Equivalent</b>		
<b>Balances with Scheduled Bank</b>		
In Current Account	68,514	91,732
Cash on Hand	20,000	-
	<b>88,514</b>	<b>91,732</b>

**Note "4" :- Other Current Liabilities**

Liabilities for Expenses	1,000	-
	<b>1,000</b>	<b>-</b>

<b>Particulars</b>	<b>Year Ended 31st March , 2021</b>	<b>Period ended 31st March , 2020</b>
<b>Note "5" :- Finance Charges</b>		
Bank Charges	118	118
	<b>118</b>	<b>118</b>

**Note "6" :- Other Expenses**

Licence & Membership fees	600	1,650
Professional fees	1,000	4,000
Profession Tax	2,500	2,500
	<b>4,100</b>	<b>8,150</b>

**NOTE NO – 7**

**Notes to the Financial Statements for the year ended 31<sup>st</sup> March 2021**

**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 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	<b>Key Managerial Personnel</b>
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	Year ended 31st March 2021	Period ended 31st March 2020
	<b>Capital Contribution</b>		
1	Mr. Sanjeev Sinha	-	50,000
2	Technocraft Industries (I) Ltd	-	50,000

#### (III) Amount due to / (from) Related Parties

Amount in ₹

SR.No	Nature of Relationship	As at 31st March 2021	As at 31st March 2020
1	Partners' Capital Account	1,00,000	1,00,000
2	Partners Current Account	(12,486)	(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 ie Human Resource Development services, 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, 2021 as Micro, Small or Medium enterprises. Consequently, the amount paid / payable to these parties during the year ended 31<sup>st</sup> March 2021 is ₹ Nil.

Signature to Note 1 To 7 Attached

**For Benten Technologies LLP**

**sd/-**  
**Sanjeev Sinha**  
**Designated Partner**  
**DPIN–03516474**

**sd/-**  
**Sharad Kumar Saraf**  
**Designated Partner**  
**DPIN–00035843**

Place: Mumbai  
Date: 18<sup>th</sup> June, 2021

TECHNOCRAFT INTERNATIONAL  
LIMITED,  
UK

**Technocraft International Limited**  
**Statement of Income and Retained Earnings**  
**Period 01 January 2020 to 31 Dec 2020**

<b>Turnover</b>		(2,076,081.16)
Purchases	1,852,826.68	
Direct costs	<u>84,200.84</u>	
<b>Cost of Sales</b>		<u>1,937,027.52</u>
<b>Gross Profit</b>		(139,053.64)
<b>Administrative expenses</b>		<u>152,887.20</u>
<b>Operating loss</b>		13,833.56
<b>Foreign Exchange (Gains)/Loss</b>		180,510.10
<b>Interest</b>		
Interest receivable		(28,816.09)
Interest payable		<u>23,693.51</u>
<b>Loss before taxation</b>		189,221.08
<b>Taxation (C/back restricted to 3 years)</b>		<u>(22,000.00)</u>
<b>Profit for the period</b>		167,221.08
<b>Retained earnings at start of period</b>		<u>(289,858.37)</u>
<b>Retained earning at end of period</b>		<u><u>(122,637.29)</u></u>

**Technocraft International Limited**  
**Statement of Financial Position**  
**31-Dec-20**

**Fixed Assets**

Tangible assets	278,789.93
Investments	36,000.00
	<u>314,789.93</u>

**Current assets**

Stocks	497,516.68
Debtors	1,314,689.76
Cash at Bank and in hand	(797,352.78)
	<u>1,014,853.66</u>

**Creditors less than one year** 120,995.70

**Net current assets** 1,135,849.36

**Total assets less current liabilities** 1,450,639.29

**Creditors more than one year**

**Provisions**

Taxation	22,000.00
	<u>1,472,639.29</u>

**Capital and reserves**

Called up share capital	(1,350,002.00)
Profit and loss account	(122,637.29)
	<u>(1,472,639.29)</u>



TECHNOCRAFT TRADING  
SPOLKA ZOO,  
POLAND

ASSETS		
		Amt in PLN
No.	ITEM	31.12.2020r.
<b>A</b>	<b>Fixed Assets</b>	<b>1,475,612</b>
<b>I</b>	<b>Intangible assets</b>	<b>0</b>
1	R&D expenses	
2	Goodwill	
3	Other intangible assets	0
4	Advances for intangible assets	
<b>II</b>	<b>Tangible fixed assets</b>	<b>928,265</b>
1	Tangible fixed assets in use	928,265
	a) land (including right to perpetual usufruct)	903,929
	b) buildings, premises, civil and water engineering structures	23,153
	c) technical equipment and machines	0
	d) vehicles	0
	e) other tangible fixed assets	1,183
2	Tangible fixed assets under construction	0
3	Advances for tangible fixed assets under construction	
<b>III</b>	<b>Long-term receivables</b>	<b>300,000</b>
1	From related parties	
2	From other entities	300,000
<b>IV</b>	<b>Long-term investments</b>	<b>0</b>
1	Real property	
2	Intangible assets	
3	Long-term financial assets	0
	a) in related parties	0
	- shares	
	- other securities	
	- loans granted	
	- other long-term financial assets	
	b) in other entities	0
	- shares	
	- other securities	
	- loans granted	
	- other long-term financial assets	
4	Other long-term investments	
<b>V</b>	<b>Long-term prepayments</b>	<b>247,347</b>
1	Deferred tax assets	247,347
2	Other prepayments	
<b>B</b>	<b>CURRENT ASSETS</b>	<b>17,691,556</b>
<b>I</b>	<b>Inventory</b>	<b>11,434,406</b>
1	Materials	
2	Semi-finished products and work in progress	
3	Finished products	
4	Goods	11,434,406
5	Advances for deliveries	
<b>II</b>	<b>Short-term receivables</b>	<b>3,554,031</b>
1	Receivables from related parties	228,668
	a) trade receivables, maturing:	228,668
	- up to 12 months	228,668
	- above 12 months	
	b) other	
2	Receivables from other entities	3,325,363
	a) trade receivables, maturing:	3,117,339
	- up to 12 months	3,117,339
	- above 12 months	
	b) receivables from tax, subsidy, customs, social security and other benefits	186,594
	c) other	21,430
	d) claimed at court	
<b>III</b>	<b>Short-term investments</b>	<b>2,612,180</b>
1	Short-term financial assets	2,612,180
	a) in related parties	0
	- shares	
	- other securities	
	- loans granted	
	- other short-term financial assets	
	b) in other entities	0
	- shares	
	- other securities	
	- loans granted	
	- other short-term financial assets	
	c) cash and other pecuniary assets	2,612,180
	- cash in hand and at bank	2,612,180
	- other cash	
	- other pecuniary assets	
2	Other short-term investments	
<b>IV</b>	<b>Short-term prepayments</b>	<b>90,940</b>
	<b>TOTAL ASSETS</b>	<b>19,167,169</b>

LIABILITIES		
		Amt in PLN
No.	ITEM	31.12.2020r.
<b>A</b>	<b>EQUITY</b>	<b>1,535,075</b>
I	Share capital	2,250,000
II	Supplementary capital	813,815
III	Own shares (negative value)	
IV	Other capital	
V	Revaluation reserve	
VI	Other reserve capitals	
VII	Previous years profit (loss)	(178,365)
VIII	Net profit (loss)	(1,350,375)
IX	Write-off on net profit during the financial year (negative value)	
<b>B</b>	<b>LIABILITIES AND PROVISIONS FOR LIABILITIES</b>	<b>17,632,093</b>
<b>I</b>	<b>Provisions for liabilities</b>	<b>0</b>
1	Provision for deferred income tax	
2	Provision for retirement and similar benefits	0
	- long-term	
	- short-term	
3	Other provisions	0
	- long-term	
	- short-term	0
<b>II</b>	<b>Long-term liabilities</b>	<b>437,500</b>
1	To related parties	0
2	To other entities	0
	credits and loans arising from issuance of debt securities	
	other financial liabilities	437,500
	other	
<b>III</b>	<b>Short-term liabilities</b>	<b>17,194,593</b>
1	To related parties	12,033,864
	trade liabilities, maturing:	12,033,864
	- up to 12 months	12,033,864
	- above 12 months	
	b). Other	
2	To other entities	5,160,729
	credits and loans arising from issuance of debt securities	4,972,011
	other financial liabilities	
	trade liabilities, maturing:	114,648
	- up to 12 months	114,648
	- above 12 months	
	received advances for deliveries	47,216
	bill-of-exchange liabilities	
	tax, customs, insurance and other liabilities	26,855
	payroll liabilities	
	other	
3	Special funds	
<b>IV</b>	<b>Accruals</b>	<b>0</b>
1	Negative goodwill	
2	Other accruals	0
	- long term	
	- short term	
	<b>TOTAL LIABILITIES</b>	<b>19,167,169</b>

Technocraft Trading Sp. z o.o. P & L Account Comparative varian <sup>1</sup>		Amt in PLN
Lp.	PERIOD:	01.01.2020- 31.12.2020
<b>A</b>	<b>Net receipts from sales of products and equivalent to them</b>	<b>13,942,232</b>
	<i>including: from associated units</i>	228,668
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	13,713,565
<b>B</b>	<b>Costs of sales of products, goods and materials</b>	<b>14,227,914</b>
I	Depreciation	64,818
II	Consumption of materials and energy	39,284
III	Foreign services	888,377
IV	Taxes and fees including - excise duty	95,141
V	Wages	731,501
VI	Social insurance and other disbursements	126,610
VII	Remaining generic costs	77,203
VIII	Value of sold goods and materials	12,204,981
<b>C</b>	<b>Profit (loss) from sales (A – B)</b>	<b>(285,682)</b>
<b>D</b>	<b>Other operating receipts</b>	<b>70,334</b>
I	Profit from sales of non-financial fixed assets	
II	Subsidies	
III	Other operating receipts	70,334
<b>E</b>	<b>Other operating costs</b>	<b>4,299</b>
I	Loss from sales of non-financial fixed assets	
II	Update of value of non-financial assets	
III	Other operating costs	4,299
<b>F</b>	<b>Profit (loss) from operating activities (C + D – E)</b>	<b>(219,647)</b>
<b>G</b>	<b>Financial receipts</b>	<b>5,610</b>
I	<i>Dividends and share in profit, including: including: from associated units</i>	
II	Interests <i>including: from associated units</i>	5,610
III	Profit from sale of investment	
IV	Current investment value	
V	Other (positive differences)	
<b>H</b>	<b>Financial costs</b>	<b>1,265,686</b>
I	Interests <i>including: from associated units</i>	67,726
II	Loss from sales of investments	
III	Update of value of investments	
IV	Other (NEGATIVE DIFFERENCES)	1,197,960
<b>I</b>	<b>Profit (loss) includ. economic activity (F + G – H)</b>	<b>(1,479,723)</b>
<b>J</b>	<b>Result of extraordinary events (J.I. – J.II)</b>	<b>0</b>
I	Extraordinary profits	
II	Extraordinary losses	
<b>K</b>	<b>Gross profit (loss) (I ± J)</b>	<b>(1,479,723)</b>
<b>L</b>	<b>Income tax paid previously</b>	
<b>M</b>	<b>Other compulsory deductions from profit (increase on loss)</b>	<b>(129,348)</b>
<b>N</b>	<b>Profit</b>	<b>(1,350,375)</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 2021**

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# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

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## DIRECTOR'S REPORT - 31 March 2021

Your directors present this report on the financial accounts of the company for the financial year ended 31<sup>st</sup> March 2021:

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 profit for the year of \$3,588.93, after deducting income tax expenses of \$ Nil (2020 operating (Loss) for the year of (\$456,237.61), after deducting income tax expenses of \$ Nil.

### 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 2021

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the company has received or become entitled to receive 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 14<sup>th</sup> day of April 2021  
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 2021

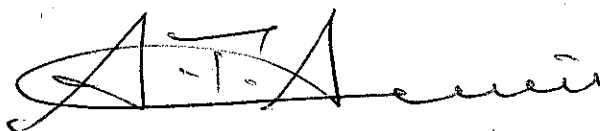
DIRECTORS' DECLARATION

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 10 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 2021 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 14<sup>th</sup> day of April 2021  
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, 2021.

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 2021 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)**

14<sup>th</sup> April, 2021


# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

## STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH, 2021

2020		2021
-456,237.61	OPERATING PROFIT (LOSS) before tax	3,588.93
436.74	Income tax applicable thereto	
-455,800.87	OPERATING PROFIT (LOSS) for the year	3,588.93
1,246,363.65	RETAINED PROFIT B/F	790,562.78
<u>790,562.78</u>	RETAINED PROFIT at year end	<u>794,151.71</u>

Public officer   
THESE ACCOUNTS ARE UNAUDITED  
PLEASE REFER TO THE COMPILATION REPORT

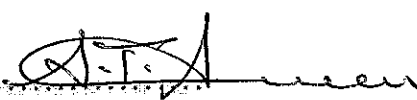
# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

## STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH, 2021

2020		2021
	<b>CURRENT ASSETS</b>	
	Cash:	
134,579.26	Cash at bank	313,047.57
186.88	Cash on hand	191.87
	Receivables:	
891,402.52	Trade debtors (per schedule)	2,175,109.19
37,275.00	other debtors	142,505.58
4,057,663.22	Inventories	4,467,588.91
5,121,106.88	<b>TOTAL CURRENT ASSETS</b>	7,099,442.62
	<b>NON-CURRENT ASSETS</b>	
18,277.41	Motor vehicle (at cost)	24,868.32
14,351.26	Accumulated depreciation	13,314.29
3,926.15		11,554.03
	Plant & equipment (at cost)	46,979.49
46,979.49	Accumulated depreciation	45,005.87
41,072.00		1,973.62
5,907.49	<b>TOTAL NON-CURRENT ASSETS</b>	13,527.65
9,833.64		
5,130,940.52	<b>TOTAL ASSETS</b>	7,112,970.27
	Creditors and borrowing:	
3,589,031.51	Trade creditors	5,552,614.01
5,771.98	Eftpos TAPL-Melb	-
500,000.00	Technocraft Indst. LOAN India	500,000.00
15,484.25	Other creditors	4,636.78
12,036.00	BAS Payable	42,513.77
4,122,323.74	<b>TOTAL CURRENT LIABILITIES</b>	6,099,764.56
	<b>NON-CURRENT LIABILITIES</b>	
4,122,323.74	<b>TOTAL LIABILITIES</b>	6,099,764.56
1,008,616.78	<b>NET ASSETS</b>	1,012,205.71
	<b>SHAREHOLDERS EQUITY</b>	
	Share capital:	
218,054.00	218054 shares	218,054.00
790,562.78	RETAINED PROFIT	794,151.71
1,008,616.78	<b>TOTAL SHAREHOLDERS' FUND</b>	1,012,205.71

Public officer\*   
 THESE ACCOUNTS ARE UNAUDITED  
 PLEASE REFER TO THE COMPILATION REPORT

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

## NOTES TO AND FORMING PART OF THE ACCOUNTS

YEAR ENDED 31 March 2021

### 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. Deferred tax asset of \$138,657.00 has not been recognised in relation to unrecouped tax loss at 31 March 2021 of \$554,630, because at this stage there is no certainties that the loss will be recouped.

### 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 employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N. 89 119 021 975

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## 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 statement of financial position.

## 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.

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, 2021

2020 Amount \$		2021 Amount \$
	<b>Consultancy</b>	
7,019.00	The Marron Consultancy	5,205.95
<u>7,019.00</u>		<u>5,205.95</u>
	<b>Fees &amp; Licences</b>	
263.00	ASIC renew	287.00
188.00	SUNab Card	290.18
1,680.00	MYOB lic fee	1,527.52
-	Satish Cr Card	53.64
-	SU CHARLIE	129.85
218.00	SU EC Credit Control (Aust) Pty Ltd	146.61
<u>2,349.00</u>		<u>2,414.80</u>
	<b>Insurance</b>	
4,784.64	Work cover - Icare	4,537.98
1,486.34	Work cover - Mel	\$3,759.25
878.86	Gallagher-Public Liability Insurance-Mel	-
1,998.32	Gallagher-Public Liability Insurance-Sydney	-
2,490.12	Gallagher-Public Liability Insurance-Formwork	-
2,629.62	Purchase: SU Cameron Industrial Commercial Pty Ltd	\$3,784.94
841.74	Building - AAMI	-
1,616.46	Purchase: SU Satish credit card	-
3,647.16	Medibank Insurance	\$3,216.95
-	Arthur J Gallagher & co (Aus) limited	\$4,339.07
<u>20,383.26</u>		<u>19,638.19</u>
	<b>Legal fees</b>	
19,227.79	Wyndhamprem Commercial Lawyers	6,271.15
68.36	Macquaire Collections REF TECH-11524	84.55
-	Baybridge Lawyers	7,450.00
-	McDonald Murholme	15,999.09
-	Adam Gerard	2,600.00
-	Adrian settlement	5,000.00
-	Legal fee rent docs	500.00
<u>19,296.15</u>		<u>37,814.79</u>

  
 Director


Client: Technocraft Australia Pty Ltd

As at 31st March 2021

### Schedule of Trade Debtors

2020 Amount		2021 Amount
590,473.58	Trade debtor - Syd*	1,484,117.54
112,998.29	Trade debtor - Mel	378,940.58
187,930.65	Trade debtor - Formwork	312,051.07
<u>891,402.52</u>		<u>2,175,109.19</u>

Director



# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975

## DETAILED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH, 2021

2020		2021
4,587,423.97	GROSS SALES	6,734,455.46
	Less	
	COST OF SALE	
2,446,947.20	Opening stock	4,057,663.22
5,321,201.14	Purchases	5,904,829.23
382,584.54	Freight, forwarding & customs	397,216.99
1,047.38	Packing & repainting	650.96
301.88	Commission	-----
8,152,082.14		10,360,360.90
4,057,663.22	Less closing stock	4,467,568.91
4,054,418.92	Cost of sales	5,892,771.96
493,005.05	GROSS PROFIT	841,683.47
	Less	
	EXPENDITURE	
12,563.94	Accountancy	11,510.92
4,151.12	Advertising and gifts	5,548.25
35,603.88	Bank charges	13,165.06
-	Bad debts	13,298.35
1,867.01	Cleaning	2,476.37
7,019.00	Consultancy	5,205.95
1,316.36	Computer expenses	2,032.63
8,649.96	Depreciation	3,933.87
233.00	Detention charges	-
6,066.62	Equipment Hire	14,605.37
2,385.00	Fees and licences	2,414.80
2,900.98	Fringe benefits tax	2,643.14
(3,078.50)	Forex loss/(Gain)	(914.11)
594.63	General expenses	-
20,383.26	Insurance	19,638.19
62,245.82	Interest charges	65,050.99
3,383.67	Internet expenses	3,102.42
19,296.15	Legal fees	37,314.79
6,805.20	Light and power	5,038.58

  
 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, 2021

2020		2021
18,301.75	Motor vehicle expenses	20,016.85
8,828.75	Printing & stationery	4,289.92
113.51	Postage	-
238,283.60	Rent	340,171.36
15,064.80	Repairs & maintenance	9,175.45
432,835.24	Salaries wages and allowances	428,173.92
7,054.08	Staff visa expenses	8,626.34
	Staff reimbursement etc	7,868.62
528.00	Security expenses	528.00
42,820.27	Superannuation contributions	38,457.81
1,813.15	Staff amenities	1,780.33
3,118.38	Telephone	2,282.21
28,357.99	Travel & fares	1,512.95
989,446.62		1,069,449.33
(496,441.57)	OPERATING (LOSS) for the year	(227,765.86)
40,203.96	Interest received	784.59
-	Cashflow boost Govt. subsidy	100,000.00
-	Jobkeeper	117,000.00
-	Meternity leave reimbursed	13,570.20
(456,237.61)	TOTAL OPERATING PROFIT (LOSS)	3,588.93

Public officer\* 

THESE ACCOUNTS ARE UNAUDITED

PLEASE REFER TO THE COMPILATION REPORT

**Client: Technocraft Australia Pty Ltd**

**For The Year Ended 31st March 2021**

**Schedule of Motor Vehicles**

Depreciation	1,974.54
Drivers licence	-
Insurance	3,377.96
Interest	-
Loss on sales	1,806.67
NRMA subscription	-
Other expenses	-
Parking & Toll	3,267.70
Petrol	5,613.32
Registration	2,092.62
Rental	-
Repairs and maintenance	1,864.04
	<u>20,016.85</u>

Less: FBT employees' contributions

Total claimed 20,016.85

**Depreciation Schedule**

Description	Purchase Date	Original Cost	Addition	CWDD	Rate %	Dep'n	Disposal	Loss on sale	CWDD	Days
Car - Sydney	30/04/2012	13,050.14		1,342.28	25.00%	335.57			1,006.71	365
Honda Jazz -YYG95 ( sold 25/10/20)	5/10/2017	5,227.27		2,583.87	25.00%	368.11	409.09	1,806.67	-	208
		5,227.27								
Toyota Ute 2008- Miel	25/10/2020	11,818.18		-	25.00%	1,270.86			10,547.32	157
<b>Total</b>		<b>24,868.32</b>		<b>3,926.16</b>		<b>1,974.54</b>	<b>409.09</b>	<b>1,806.67</b>	<b>11,554.03</b>	



Director

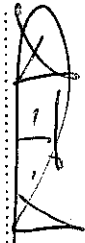
# TECHNOCRAFT AUSTRALIA PTY LTD

A.B.N.89 119 021 975  
YEAR ENDED 31 MARCH, 2021

## Depreciation Schedule

### Plant & Equipment

Item	Purchase Date	Cost	OWDV	Rate	Dep'n	CWDV
Office Equipment	7/09/2009	409.09	-	10.00%	5.13	-
Chairs	13/05/2010	436.36	5.13	10.00%	140.91	139.75
Office Equipment	28/03/2012	1,409.09	280.66	10.00%	215.00	649.71
Office Equipment- surveillance	9/04/2014	2,150.00	864.71	10.00%	60.00	211.40
Office Equipment- surveillance	9/10/2014	600.00	271.40	10.00%	1,399.94	-
Fork Force forklift	30/06/2015	29,750.00	1,399.94	20.00%	1,890.40	-
Active Forklifts	11/03/2016	10,000.00	1,890.40	20.00%	104.00	453.30
Office Equipment - Perth trf to Syd	10/08/2015	1,039.95	557.30	10.00%	118.50	519.45
Container- Ramp - Perth trf to Syd	19/08/2015	1,185.00	637.95	10.00%		
		<b>46,979.49</b>	<b>5,907.49</b>		<b>3,933.87</b>	<b>1,973.61</b>

  
 Director

ANHUI RELIABLE STEEL  
TECHNOLOGY CO LTD,  
CHINA

**ANHUI RELIABLE STEEL  
TECHNOLOGY CO.LTD**

**Audit Report For The Year 2020**

**ChuHengShenZi[2021]NO.065**

**Chuzhou Heng Li Xin**

**Certified Public Accountants Office**

**(General Partnership)**

**Address: Room 406, Building 2, Xianggangcheng,**

**Chuzhou, China**

**Tel: +86 550 3045078**

**Fax: +86 550 3046378**

# Report of the Auditors

ChuHengShenZi[2021] NO.065

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, 2020 and the profit statement, cash flow statement, statement of equity changes and notes to the financial statements of 2020.

In our opinion, the company's financial statements presented fairly, in all material respects, the financial position of the company by December 31, 2020 and the results of its operations and its cash flows of 2020.

## **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 3, 2021



# Balance Sheet

12/31/20

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>35</b>		
Cash	2	493,088.37	452,471.22	Short-term borrowings	36	36,220,607.00	41,177,063.00
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	37		
Derivative financial asset	4			Derivative financial liability	38		
Notes receivable	5	334,600.00	1,251,120.00	Notes payable	39		
Accounts receivable	6	28,077,283.02	24,068,284.05	Accounts payable	40	13,166,516.55	18,784,210.92
Prepayments	7	1,606,027.99	5,958,918.29	Advance receipts	41	107,460.97	322,808.56
Other receivables	8	322,055.47	656,039.80	Employee pay payable	42	1,997,330.23	1,557,006.39
Inventories	9	11,562,124.35	15,419,338.30	Taxes payable	43	869,873.23	1,083,427.37
Assets held for sale	10			Other payables	44	758,765.78	150,431.75
Current portion of non-current assets	11			Liabilities held for sale	45		
Other current assets	12	366,444.43	2,138.10	Non-current liabilities due within one year	46		
<b>Total current assets</b>	<b>13</b>	<b>42,761,623.63</b>	<b>47,808,309.76</b>	Other current liabilities	47		
Non-current assets:	14			<b>Total current liabilities</b>	<b>48</b>	<b>53,120,553.76</b>	<b>63,074,947.99</b>
Financial assets available for sale	15			Non-current liabilities:	49		
Held-to-maturity investments	16			Long-term loans	50		
Long-term account receivable	17			Bonds payable	51		
Long-term equity investments	18			Long-term payable	52		
Investment properties	19			Accrued liabilities	53		
Fixed assets	20	44,468,129.78	44,313,507.19	Deferred income	54		
Minus: accumulated depreciation	21	20,600,216.16	17,605,489.73	Deferred income tax liabilities	55	258,950.61	
Net value of fixed assets	22	23,867,913.62	26,708,017.46	Other non-current liabilities	56		
Construction in progress	23	4,090,578.09	4,090,578.09	<b>Total non-current liabilities</b>	<b>57</b>	<b>258,950.61</b>	
Productive biological assets	24			<b>Total liabilities</b>	<b>58</b>	<b>53,379,504.37</b>	<b>63,074,947.99</b>
Oil and gas assets	25			Owners' equity:	59		
Intangible assets	26	1,907,568.00	1,956,480.00	Paid-up capital (or capital stock)	60	15,129,621.98	15,129,621.98
Development expenditure	27			Other equity income	61		
Business reputation	28			Capital reserves	62		
Long-term deferred expenses	29	663,805.56	12,800.00	Minus: treasury stock	63		
Deferred income tax assets	30			Other comprehensive income	64		
Other non-current assets	31			Surplus reserves	65		
<b>Total non-current assets</b>	<b>32</b>	<b>30,529,865.27</b>	<b>32,767,875.55</b>	Undistributed profits	66	4,782,362.55	2,371,615.34
	33			<b>Total owners' equity</b>	<b>67</b>	<b>19,911,984.53</b>	<b>17,501,237.32</b>
<b>Total assets</b>	<b>34</b>	<b>73,291,488.90</b>	<b>80,576,185.31</b>	<b>Total liabilities and owners' equity</b>	<b>68</b>	<b>73,291,488.90</b>	<b>80,576,185.31</b>

Legal Representative:

General Manager Of Accounting :

Chief Financial Officer:

# Income Statement

Year 2020

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>84,843,887.10</b>	<b>109,439,768.45</b>
Minus: Operating costs	2	72,026,689.20	92,644,340.01
Taxes and surcharges	3	936,207.01	846,483.93
Selling expenses	4	3,071,191.84	3,227,409.60
General and administrative expenses	5	3,182,397.88	5,633,774.50
Development costs	6		
Financial expenses	7	2,993,369.57	2,924,408.39
Include: Interest expenses	8	2,687,385.90	3,161,850.67
Interest income	9	-8,191.62	-2,306.18
Asset impairment losses	10	-72,500.00	99,050.00
Plus: Other income	11	283,828.45	208,301.20
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	118,267.77	
<b>II. Operating profit</b>	<b>16</b>	<b>3,108,627.82</b>	<b>4,272,603.22</b>
Plus: Non-operating income	17	133,462.60	109,056.55
Minus: Non-operating expense	18	8,231.23	4,319.71
<b>III. Total profits</b>	<b>19</b>	<b>3,233,859.19</b>	<b>4,377,340.06</b>
Minus: Income tax expenses	20	823,111.98	1,102,315.85
<b>IV. Net profit</b>	<b>21</b>	<b>2,410,747.21</b>	<b>3,275,024.21</b>
(1) Net profit of continued operating	22	2,410,747.21	3,275,024.21
(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>2,410,747.21</b>	<b>3,275,024.21</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 2020

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Unit: RMB Yuan

Item	NO.	This Year	Last Year
I. Cash flow from operations	1		
Cash received from sales of goods or rendering services	2	87,770,743.84	109,950,705.52
Refunds of taxes	3	1,473,401.37	4,177,532.76
Cash received relating to other operating activities	4	428,064.87	285,894.84
<b>Sub-total of cash inflows from operating activities</b>	5	<b>89,672,210.08</b>	<b>114,414,133.12</b>
Cash paid for goods or receiving services	6	63,827,417.44	88,656,749.07
Cash paid to and on behalf of employees	7	12,937,970.33	15,400,902.28
Tax payments	8	1,734,123.72	1,140,930.93
Cash paid relating to other operating activities	9	3,005,119.98	2,813,191.81
<b>Sub-total of cash outflows from operating activities</b>	10	<b>81,504,631.47</b>	<b>108,011,774.09</b>
<b>Net cash flow from operating activities</b>	11	<b>8,167,578.61</b>	<b>6,402,359.03</b>
II. Cash flows from investment activities:	12		
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	786,583.04	
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>	18	<b>786,583.04</b>	
Cash paid to acquire fixed assets intangible assets and other long-term assets	19	2,197,066.43	3,890,190.20
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>	23	<b>2,197,066.43</b>	<b>3,890,190.20</b>
<b>Net cash flow from investing activities</b>	24	<b>-1,410,483.39</b>	<b>-3,890,190.20</b>
III. Cash flows from financing activities:	25		
Cash from absorption of investments	26		
Receipts from loan	27	34,580,149.00	35,620,149.00
Cash received relating to other financing activities	28		
<b>Sub-total of cash inflows from financing activities</b>	29	<b>34,580,149.00</b>	<b>35,620,149.00</b>
Repayments of financial institution borrowings	30	39,101,869.00	35,960,149.58
Dividends paid, profit distributed or interest paid	31	2,119,578.93	3,115,913.17
Cash payments relating to other financing activities	32		
<b>Sub-total of cash outflows from financing activities</b>	33	<b>41,221,447.93</b>	<b>39,076,062.75</b>
<b>Net cash flow from financing activities</b>	34	<b>-6,641,298.93</b>	<b>-3,455,913.75</b>
IV. Effect of foreign currency translation	35	-75,179.14	-83,304.75
V. Net increase in cash and cash equivalents	36	40,617.15	-1,027,049.67
<b>Plus: Opening balance of cash and cash equivalents</b>	37	<b>452,471.22</b>	<b>1,479,520.89</b>
VI. Ending balance of cash and cash equivalents	38	493,088.37	452,471.22

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:

# Statement of Equity Changes

Name of enterprise: ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

Year 2020

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					2,371,615.34	17,501,237.32	15,129,621.98					-642,075.50	14,487,546.48
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					2,371,615.34	17,501,237.32	15,129,621.98					-261,333.37	-261,333.37
III. Increases or Decreases of This Year ("a" represents decreases)	6						2,410,747.21	2,410,747.21						3,275,024.21	3,275,024.21
(i) Total comprehensive income	7						2,410,747.21	2,410,747.21						3,275,024.21	3,275,024.21
(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					4,782,362.55	19,911,984.53	15,129,621.98					2,371,615.34	17,501,237.32

Legal Representative:

General Manager Of Accounting:

Chief Financial Officer:



# ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD

## NOTES TO THE FINANCIAL STATEMENT

### FOR THE YEAR 2020

#### **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	571. 88	4, 498. 16
Cash in bank	492, 516. 49	447, 973. 06
Total	493, 088. 37	452, 471. 22

#### 2. Notes receivable

Debtors' names	Ending balance	Business content	Remark
Hefei Lebai Metal Material Co., Ltd.	290, 000. 00	Paid by banker's acceptance bill	Six months
Zhuhai Jinbaoshi Packing	20, 000. 00	Paid by banker's	Six months

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

Container Co., Ltd.		acceptance bill	
Dongguan Datian Metal Container Co., Ltd.	10,000.00	Paid by banker's acceptance bill	Six months
Zhejiang Xinan Packing Co., Ltd.	14,600.00	Paid by banker's acceptance bill	Six months
Total	334,600.00		

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	26,995,223.02	95.80%		24,154,380.05	99.94%	100,000.00
One to three years	1,182,060.00	4.20%	100,000.00	13,904.00	0.06%	
Above three years						
Total	28,177,283.02	100%	100,000.00	24,168,284.05	100%	100,000.00

(b) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	HIGHMARK INTERNATIONAL TRADING	12,893,327.99	Payment for goods	Within one year
2	TECHNOCRAFT INDUSTRIES (INDIA)	1,867,395.65	Payment for goods	Within one year
3	Wuxi SFZT Drum Co., Ltd.	1,361,894.03	Payment for goods	Within one year
4	Shangdong Auspicious	1,182,060.00	Payment for goods	One to three years

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

	Industrial Co., Ltd.			
5	Shanghai Tianhaoda Chemical Packing Co., Ltd.	1,156,264.30	Payment for goods	Within one year
6	Taicang Datianmingbo Drum Co., Ltd.	890,550.00	Payment for goods	Within one year

4. 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	1,605,467.99	99.97%		5,931,518.29	99.54%	
One to three years	560.00	0.03%		27,400.00	0.46%	
Above three years						
Total	1,606,027.99	100%		5,958,918.29	100%	

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	Yangzhou Xuleji Scaffolding Co., Ltd.	298,400.00	Advance payment	Within one year
2	Rugao Shengru Precision Foundry Co., Ltd.	263,149.50	Advance payment	Within one year
3	Rugao Aizhong Machinery Manufacturing Co., Ltd.	246,741.45	Advance payment	Within one year
4	Wuxi Jiajitong Metals-trading Co., Ltd.	224,521.80	Advance payment	Within one year

5. 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	199,131.54	61.83%		494,532.59	75.38%	
One to three years	56,106.80	17.42%		101,507.21	15.47%	
Above three years	66,817.13	20.75%		60,000.00	9.15%	
Total	322,055.47	100%		656,039.80	100%	

(2) Principal debtors

No.	Debtors' name	Ending balance	Reason	Aging
1	Export Rebates	50,473.92	Tax	Within one year
2	Labour Insurance	86,722.18	Reimbursed Expenses	Within one year
3	Quanjiao Administration of Power Supply	60,000.00	Guarantee Deposit	Above three years
4	Arun	32,000.00	Borrowing	Within one year

6. Inventory

(1) Item

Category	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Raw materials	5,872,535.76	50.79%	9,403,296.69	60.98%
Finished products	5,689,588.59	49.21%	6,016,041.61	39.02%
Total	11,562,124.35	100%	15,419,338.30	100%

(2) Capitalization of borrowing costs not exist in this period.

7. Other current assets

No.	Item	Ending balance	Beginning balance
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ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

1	VAT Payable	1, 170. 00	890. 00
2	Input tax to be authenticated	354, 489. 88	1, 248. 10
3	Personal Income Tax Payable	10, 784. 55	
	Total	366, 444. 43	2, 138. 10

8. 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, 468, 129. 78	1, 112, 741. 84	958, 119. 25	44, 313, 507. 19
(a) House and Building	17, 104, 818. 01			17, 104, 818. 01
(b) Mechanical equipment	26, 081, 494. 57	1, 112, 741. 84	958, 119. 25	25, 926, 871. 98
(c) Electronic equipment	391, 671. 24			391, 671. 24
(d) Transportation vehicles	802, 118. 08			802, 118. 08
(e) Furniture and instrument	88, 027. 88			88, 027. 88
② Accumulated depreciation:	20, 600, 216. 16	3, 284, 530. 41	289, 803. 98	17, 605, 489. 73
(a) House and Building	7, 678, 924. 39	807, 189. 84		6, 871, 734. 55
(b) Mechanical equipment	11, 891, 084. 15	2, 404, 123. 47	289, 803. 98	9, 776, 764. 66
(c) Electronic equipment	345, 390. 25	31, 104. 06		314, 286. 19
(d) Transportation vehicles	600, 956. 73	42, 113. 04		558, 843. 69
(e) Furniture and	83, 860. 64			83, 860. 64

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

instrument				
③ Net value of fixed assets	23,867,913.62	-2,171,788.57	668,315.27	26,708,017.46

(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.

9. Construction in progress

Item	Ending balance	Increase for current period	Decrease for current period	Beginning balance
Constructional Engineering	4,090,578.09			4,090,578.09
Installation Project				
Total	4,090,578.09			4,090,578.09

10. 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	538,032.00	48,912.00		489,120.00
Land usage right	538,032.00	48,912.00		489,120.00
③ Net value of intangible assets	1,907,568.00	-48,912.00		1,956,480.00

(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.

11. Long-term deferred expenses

Item	Ending balance	Increase for current period	Amortization in current period	Beginning balance
Mold expense	608,747.21	846,676.92	237,929.71	
Rental fee	55,058.35	81,700.00	39,441.65	12,800.00
Total	663,805.56	928,376.92	277,371.36	12,800.00

12. Short-term borrowing

Lenders	Ending balance	Loan period	Rate of interest	Expired or not
TECHNOCRAFT INDUSTRIES (INDIA)	2,740,458.00	Two Years		Yes
Quanjiao Sub-branch of Industrial and Commercial Bank of China	10,000,000.00	One year	4.05%	Not expired
Shanghai Sub-branch of Citibank	23,480,149.00	One year		Not expired
Total	36,220,607.00			

Note: The ending balance of the loan from TECHNOCRAFT INDUSTRIES (INDIA) is 420,000.00 US dollars.

13. Account payable

(1) Aging analysis

Aging	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Within one year	12,953,108.36	98.38%	18,571,452.02	98.87%

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

One to three years	118,970.19	0.90%	118,320.90	0.63%
Above three years	94,438.00	0.72%	94,438.00	0.50%
Total	13,166,516.55	100%	18,784,210.92	100%

(2) Principal Creditors

No.	Creditors' name	Ending balance	Reason	Aging
1	TECHNOCRAFT INDUSTRIES (INDIA)	3,895,530.50	Payment for goods	Within one year
2	Assess on materials expenses	3,326,998.66	Payment for goods	Within one year
3	Hefei Changcheng Electroplate Factory	1,164,271.02	Payment for goods	Within one year
4	Chuzhou Changyun Transportation Company Co., Ltd. (Nanjing Branch)	756,677.24	Payment for goods	Within one year
5	Jiangsu Neptune Supply Chain Co., Ltd	752,058.67	Payment for goods	Within one year
6	Anhui Kaida Expressway Material Manufacturing Co., Ltd.	556,856.31	Payment for goods	Within one year

14. Advances from customers

(1) Aging analysis

Aging	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Within one year	65,692.67	61.13%	283,308.56	87.76%
One to three years	41,768.30	38.87%	39,500.00	12.24%
Over three years				
Total	107,460.97	100%	322,808.56	100%

(2) Principal Creditors



ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

No.	Creditors' name	Ending balance	Reason	Aging
1	Ningbo East Seacoast Packing	48,139.29	Payment for goods	Within One year
2	Jurong Zhenyao Pack & Container Co., Ltd	20,000.00	Payment for goods	One to Three years
3	Suzhou Dazhong Container	17,500.00	Payment for goods	One to Three years

15. Employee pay payable

Item	Ending balance	Increase for current period	Decrease in current period	Beginning balance
Wages payable	1,997,330.23	12,507,421.15	12,067,097.31	1,557,006.39
Welfare payable		381,596.90	381,596.90	
Labor insurance		440,476.12	440,476.12	
Personnel education		48,800.00	48,800.00	
Union expenditure				
<b>Total</b>	<b>1,997,330.23</b>	<b>13,378,294.17</b>	<b>12,937,970.33</b>	<b>1,557,006.39</b>

16. Taxes payable

No.	Tax item	Ending balance	Beginning balance
1	Building tax payable	36,369.62	36,369.62
2	Land use right tax payable	56,726.36	56,726.36
3	Urban construction tax payable	14,762.44	3,502.43
4	Extra charges of education funds payable	8,857.46	2,099.66
5	Local extra charges of education funds payable	5,904.98	1,399.77
6	Stamp tax payable	3,714.00	3,615.20

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

7	Water conservancy funds payable	179,377.00	
8	Personal income tax payable		31,075.95
9	Corporate income tax	564,161.37	948,638.38
	Total	869,873.23	1,083,427.37

17. Other payables

(1) Items

No.	Item	Ending balance	Beginning balance
1	Interest payable	742,768.12	133,820.59
2	Other payables	15,997.66	16,611.16
	Total	758,765.78	150,431.75

(2) Interest payable

Item	Ending balance	Increase for current period	Decrease in current period	Beginning balance
Interest of borrowings from India Company	660,768.60	714,578.02	84,557.72	30,748.30
Interest of borrowings from Bank	81,999.52	-21,072.77		103,072.29
Total	742,768.12	693,505.25	84,557.72	133,820.59

(3) Other payables

(a) Aging analysis

Aging	End of the year		Beginning of the year	
	Amount	Proportion	Amount	Proportion
Within one year	6,671.00	41.70%	7,284.50	43.85%
One to three years	9,326.66	58.30%	9,326.66	56.15%
Total	15,997.66	100%	16,611.16	100%

(b) Principal Creditors

No.	Creditors' name	Year end balance	Reason	Aging
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ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

1	Board expenses	6,671.00	Board expenses	Within one year
2	Plate deposit	6,361.00	Guarantee deposit	One to three years
3	Labour suit deposit	1,425.00	Guarantee deposit	One to three years

18. Deferred income tax liabilities

Items	End of the year		Beginning of the year	
	Taxable temporary differences	Deferred income tax liabilities	Taxable temporary differences	Deferred income tax liabilities
Depreciation of fixed assets	1,035,802.45	258,950.61		
Total	1,035,802.45	258,950.61		

19. 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%
Total	15,129,621.98	100%			15,129,621.98	100%

(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).

20. Undistributed profit

Item	Year 2020	Year 2019
① Undistributed profit at beginning of this period	2,371,615.34	-642,075.50
Plus: net profit for the current year	2,410,747.21	3,275,024.21
prior year income adjustment		-261,333.37
② Profit available for distribution	4,782,362.55	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	4,782,362.55	2,371,615.34

21. Operation revenues and costs

Item	Accrual amount in this year		Accrual amount in last year	
	Income	Cost	Income	Cost
<b>Main business</b>	81,354,224.74	71,818,361.02	106,306,429.60	92,368,770.19
Include: export product	36,874,682.58	35,662,787.34	59,879,942.19	54,858,934.98
Sale in domestic market	44,479,542.16	36,155,573.68	46,426,487.41	37,509,835.21
<b>Other business</b>	3,489,662.36	208,328.18	3,133,338.85	275,569.82
Include: Raw material	312,381.28	208,328.18	138,252.79	275,569.82
Scraps	3,158,516.93		2,995,086.06	

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

Labor cost	18,764.15			
<b>Total</b>	84,843,887.10	72,026,689.2	109,439,768.45	92,644,340.01

This year the changeover withholdings on VAT of export product in Operating costs, which is tax refund forbidden, is 59.65 RMB. The amount in last year is 509,792.84 RMB.

22. Taxes and surcharges

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Urban construction tax	179,722.28	220,545.04
2	Extra charges of education funds	107,835.18	132,325.21
3	Local extra charges of education funds	71,890.13	88,216.82
4	Stamp tax	23,618.50	32,438.39
5	Water conservancy funds	179,377.00	
6	Land use tax	226,905.44	226,905.43
7	House property tax	145,478.48	144,673.04
8	Vehicle and vessel tax	1,380.00	1,380.00
	<b>Total</b>	936,207.01	846,483.93

23. Selling expenses in this year is 3,071,191.84 RMB, while the amount in last year is 3,227,409.60 RMB in total.

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Wage	895,110.27	793,247.91
2	Transportation expenses	2,115,116.09	2,194,263.70
3	Travel expense	41,707.00	136,513.89

24. Administration expenses in this year is 3,182,397.88 RMB, while the amount in last year is 5,633,774.50 RMB in total.

No.	Item	Accrual amount in this year	Accrual amount in last year
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ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

1	Wage	2,082,151.69	3,340,355.28
2	Welfare	129,438.25	302,442.67
3	Labor insurance	49,688.75	125,399.24
4	Entertainment expense	127,113.41	71,401.57
5	Travel expense	48,566.75	191,510.99
6	Office expenses	109,419.22	204,759.09
7	Maintenance cost	114,740.54	220,324.73
8	Depreciation cost	182,328.30	187,359.62
9	Amortization of intangible assets	48,912.00	48,912.00
10	Vehicle expense	97,263.05	129,818.83

25. Financial expense

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Interest income	-8,191.62	-2,306.18
2	Interest expense	2,687,385.90	3,161,850.67
3	Commission charge	33,076.38	49,777.97
4	Profit or loss on exchange	281,098.91	-284,914.07
	Total	2,993,369.57	2,924,408.39

26. Asset devaluation loss

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Bad debt reserves	-72,500.00	99,050.00
	Total	-72,500.00	99,050.00

27. Other income

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Governmental subsidy	283,828.45	208,301.20

	Total	283, 828. 45	208, 301. 20
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28. Capital disposition benefit

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Income of disposal of fixed assets	118, 267. 77	
	Total	118, 267. 77	

29. Non-operating income & non-operating expenditure

	Item	Accrual amount in this year	Accrual amount in last year
①	Non-operating income		
(a)	Penalty income	55, 141. 95	13, 902. 33
(b)	Other income	78, 320. 65	95, 154. 22
	Total	133, 462. 60	109, 056. 55
②	Non-operating expenditure		
(a)	Overdue fine	3, 316. 98	3, 672. 86
(b)	Other expenditure	4, 914. 25	646. 85
	Total	8, 231. 23	4, 319. 71

30. Income tax expense

No.	Item	Accrual amount in this year	Accrual amount in last year
1	Current income tax expense	564, 161. 37	1, 102, 315. 85
2	Deferred income tax expense	258, 950. 61	
	Total	823, 111. 98	1, 102, 315. 85

**VI. Cash Flows**

Adjust net profit to operating cash flow in an indirect method:

Item	This year	Last year
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<b>① Reconciliation of net profit/(loss) to cash flows from operating activities:</b>		
Net profit	2,410,747.21	3,275,024.21
Minus: loss on unconfirmed investment		
Plus: Impairment provision for assets	-72,500.00	99,050.00
Depreciation of fixed assets, oil & gas asset depletion, depreciation of productive biological assets	3,284,530.41	2,741,778.33
Amortization of intangible assets	48,912.00	48,912.00
Amortization of long-term prepaid expenses	277,371.36	696,777.49
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)	-118,267.77	
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 gains)	2,211,509.34	3,062,773.32
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)	3,857,213.95	121,841.83



Decrease in operating receivables (minus sign representing increase)	1,594,395.66	-6,197,652.43
Increase in operating payables (minus sign representing decrease)	-5,362,244.56	1,993,293.46
Others	35,911.01	560,560.82
Net cash flows from operating activities	<b>8,167,578.61</b>	<b>6,402,359.03</b>
<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	493,088.37	452,471.22
Minus: Opening balance of cash	452,471.22	1,479,520.89
Add: Closing balance of cash equivalents		
Minus: Opening balance of cash equivalents		
Net increase of cash and cash equivalents	40,617.15	-1,027,049.67

## 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 2020 are as follows:

#### (1) Purchase

Name	This year	Last year
TECHNOCRAFT INDUSTRIES (INDIA)	6,136,571.61	10,696,488.87

ANHUI RELIABLE STEEL TECHNOLOGY CO.LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR 2020

Total	6,136,571.61	10,696,488.87
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(2) Sales

Name	This year	Last year
TECHNOCRAFT INDUSTRIES (INDIA)	3,868,255.52	16,624,353.89
Total	3,868,255.52	16,624,353.89

(3) Contacts

Item	Ending balance	Beginning balance
① Accounts receivable		
TECHNOCRAFT INDUSTRIES (INDIA)	1,867,395.65	210,237.41
② Short-term borrowing		
TECHNOCRAFT INDUSTRIES (INDIA)	2,740,458.00	6,766,914.00
③ Accounts payable		
TECHNOCRAFT INDUSTRIES (INDIA)	3,895,530.50	7,680,823.41
④ Interest payable		
TECHNOCRAFT INDUSTRIES (INDIA)	660,768.60	30,748.30

**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 2, 2021

TECHNOCRAFT NZ LIMITED,  
NEW ZEALAND

# Draft Annual Report

TECHNOCRAFT NZ LIMITED  
For the year ended 31 March 2021

Prepared by Orb360 Chartered Accountants

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# Compilation Report

## TECHNOCRAFT NZ LIMITED For the year ended 31 March 2021

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 2021.

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

Dated: 3 June 2021

## Directory

### TECHNOCRAFT NZ LIMITED For the year ended 31 March 2021

#### 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

#### Shareholder

Technocraft Industries India Limited	100 Shares
<b>Total</b>	<b>100 Shares</b>

#### Chartered Accountant

Orb360 Limited

#### Bankers

ANZ Bank

# Approval of Financial Report

**TECHNOCRAFT NZ LIMITED**

**For the year ended 31 March 2021**

The Directors are pleased to present the approved financial report including the historical financial statements of TECHNOCRAFT NZ LIMITED for year ended 31 March 2021.

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 .....



# Profit and Loss

## TECHNOCRAFT NZ LIMITED For the year ended 31 March 2021

	2021	2020
<b>Trading Income</b>		
Hire Purchase	421,707	304,883
Sales	1,058,741	685,405
<b>Total Trading Income</b>	<b>1,480,447</b>	<b>990,288</b>
<b>Cost of Sales</b>		
Opening Stock	4,288,970	472,955
Cost of goods sold	1,330,534	4,628,271
Closing Stock	(4,423,476)	(4,288,970)
<b>Total Cost of Sales</b>	<b>1,196,027</b>	<b>812,257</b>
<b>Gross Profit</b>	<b>284,420</b>	<b>178,031</b>
<b>Other Income</b>		
Interest Income	-	7
Foreign Currency Gains and Losses	38,146	-
<b>Total Other Income</b>	<b>38,146</b>	<b>7</b>
<b>Expenses</b>		
Foreign Currency Gains and Losses	-	10,084
Travel and Accommodation	-	1,130
Bank Fees	391	361
Consulting & Accounting	10,400	4,890
Freight & Courier	33,518	137,192
Inspection Expense	220	-
Insurance	2,526	2,688
Interest Expense	25,207	22,708
Legal expenses	2,436	2,593
Rent	33,000	30,000
Subscriptions	900	576
Consultancy Services	97,988	-
<b>Total Expenses</b>	<b>206,586</b>	<b>212,222</b>
<b>Net Profit (Loss) Before Taxation</b>	<b>115,979</b>	<b>(34,183)</b>
<b>Taxation and Adjustments</b>		
<b>Non Deductible Expenses</b>		
Unrealised Currency Gains	(516,349)	264,072
Income Tax Expense	22,903	-
<b>Total Non Deductible Expenses</b>	<b>(493,446)</b>	<b>264,072</b>
<b>Total Taxation and Adjustments</b>	<b>(493,446)</b>	<b>264,072</b>
<b>Net Profit (Loss) for the Year</b>	<b>609,425</b>	<b>(298,255)</b>

# Balance Sheet

## TECHNOCRAFT NZ LIMITED As at 31 March 2021

	31 MAR 2021	31 MAR 2020
<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash and Bank</b>		
Business Current Account	40,939	37,522
<b>Total Cash and Bank</b>	<b>40,939</b>	<b>37,522</b>
Trade and Other Receivables	462,496	441,874
<b>Inventories</b>		
Hire Purchase Stock	298,958	214,119
Inventory	4,056,343	3,846,324
<b>Total Inventories</b>	<b>4,355,301</b>	<b>4,060,443</b>
<b>Total Current Assets</b>	<b>4,858,736</b>	<b>4,539,839</b>
<b>Total Assets</b>	<b>4,858,736</b>	<b>4,539,839</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and Other Payables	4,150,410	4,468,278
GST Payable	24,507	22,591
Income Tax Payable	22,903	-
Withholding Tax Payable	2,521	-
<b>Total Current Liabilities</b>	<b>4,200,340</b>	<b>4,490,868</b>
<b>Non-Current Liabilities</b>		
<b>Loans</b>		
Loan from Technocraft Industries (India) Limited	250,000	250,000
<b>Total Loans</b>	<b>250,000</b>	<b>250,000</b>
<b>Total Non-Current Liabilities</b>	<b>250,000</b>	<b>250,000</b>
<b>Total Liabilities</b>	<b>4,450,340</b>	<b>4,740,868</b>
<b>Net Assets</b>	<b>408,396</b>	<b>(201,030)</b>
<b>Equity</b>		
Share Capital	100,000	100,000
<b>Retained Earnings</b>		
Retained earnings/Accumulated funds	(301,030)	(2,774)
Current year earnings	609,425	(298,255)
<b>Total Retained Earnings</b>	<b>308,396</b>	<b>(301,030)</b>
<b>Total Equity</b>	<b>408,396</b>	<b>(201,030)</b>

## Statement of Changes in Equity

TECHNOCRAFT NZ LIMITED

For the year ended 31 March 2021

	2021	2020
<b>Equity</b>		
Opening Balance	(201,030)	97,226
<b>Increases</b>		
Profit for the Period	609,425	(298,255)
<b>Total Increases</b>	<b>609,425</b>	<b>(298,255)</b>
<b>Total Equity</b>	<b>408,396</b>	<b>(201,030)</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.

# Depreciation Schedule

**TECHNOCRAFT NZ LIMITED**

**For the year ended 31 March 2021**

# Notes to the Financial Statements

## TECHNOCRAFT NZ LIMITED

### For the year ended 31 March 2021

#### 1. Reporting Entity

TECHNOCRAFT NZ LIMITED is a company incorporated under the Companies Act 1993.

This special purpose financial report was authorised for issue in accordance with a resolution of directors dated 3 June 2021.

#### 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.

The financial statements have been prepared for taxation purposes.

##### 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.

##### 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.

	2021	2020
<b>3. Income Tax Expense</b>		
Net Profit (Loss) Before Tax	632,328	(298,255)
<b>Additions to Taxable Profit</b>		
Unrealised Currency Gains	(516,349)	264,072
<b>Total Additions to Taxable Profit</b>	<b>(516,349)</b>	<b>264,072</b>
<b>Deductions from Taxable Profit</b>		
Losses Brought Forward	34,183	-
<b>Total Deductions from Taxable Profit</b>	<b>34,183</b>	<b>-</b>
Taxable Profit (Loss)	81,796	(34,183)
Tax Payable at 28%	22,903	-
<b>Deductions from Tax Payable</b>		

	2021	2020
Dividend Imputation Credits	-	-
Resident Withholding Tax Paid	-	-
Provisional Tax Paid	-	-
<b>Total Deductions from Tax Payable</b>	-	-
Income Tax Payable (Refund Due)	22,903	-

# Directors Resolution and Certificate

## TECHNOCRAFT NZ LIMITED

### For the year ended 31 March 2021

Resolutions of Directors passed by entry in the Minute Book pursuant to Section 134 of The Companies Act 1993.

Resolved that the annual financial statements of the Company for the year ended 31 March 2021 as prepared by **Orb360 Limited** now be approved.

The amount set out below, which is shown as an expense in the Financial Statements, being remuneration paid or credited to the person or entity named below for their services to the company during the period covered by the Financial Statements:

Nil Remuneration of Directors and/or Shareholders.

Ashok Thukra Amin	NIL
Sita Ram Saini	NIL

For the purposes of this resolution and other resolutions in this minute 'remuneration' includes but is not limited to Directors' fees, salaries, wages, bonuses, commissions and management fees.

The appointment of all Shareholders and Directors as employees of the company or contractors to it for the year ending 31 March 2021, is approved and confirmed.

\_\_\_\_\_ Date .....

Ashok Thukra Amin

\_\_\_\_\_ Date .....

Sita Ram Saini

# Meeting of Directors

## TECHNOCRAFT NZ LIMITED

### For the year ended 31 March 2021

The Directors approve the Special Purpose Financial Statements for the year ended 31 March 2021.

The Financial Statements are prepared for the purpose of complying with the Company's income tax obligations, and comply with the relevant provisions of the Companies Act 1993 and Income Tax legislation. The Directors consider the Financial Statements appropriate for the purposes of reporting to Shareholders.

1. No dividend is recommended.
2. The Directors hereby certify that the remuneration paid for their services for the year ended 31 March 2021 represents fair value to the Company, having regard to the skill and experience they bring to the position, the responsibility assumed and the time commitment devoted to their duties, acting in the best interests of the Company and its shareholders generally.
3. The Directors resolve that the Company pay remuneration to the Directors for the year ended 31 March 2021 in an amount to be decided once the results of the Company are known, and in an amount not less than the amount paid for the year ended 31 March 2020 and not more than the amount available as shown by the annual financial statements of the Company once prepared.
4. The Directors shall be entitled to take drawings during the year in anticipation of the credit for the remuneration when this is determined, such drawings to be debited to the current account in anticipation of the subsequent credit.
5. The directors have resolved that no auditor be appointed for the year ending 31 March 2021.

\_\_\_\_\_ Date .....

Ashok Thukra Amin

\_\_\_\_\_ Date .....

Sita Ram Saini



# Minutes of Annual Meeting

**TECHNOCRAFT NZ LIMITED**

**For the year ended 31 March 2021**

**Shareholders' Resolutions:**

## **Held at on Pursuant to Section 120 of the Companies Act 1993**

### **Resolved:**

That if these resolutions are passed at a meeting, any irregularities in calling the meeting are waived. If these resolutions are not passed at a meeting, they are signed pursuant to Section 122 of The Companies Act 1993.

### **Resolved:**

That the Annual Report of the company for the year ended 31 March 2021, a copy which is attached, be, and is hereby, adopted, and that any failure of the Annual Report to comply with the provisions of the Companies Act, 1993, as permitted by S.211 of that Act, 1993, or any other Statute is hereby approved.

### **Resolved:**

That the directors be authorised to present the financial statements for the ensuing year within twelve months of balance date, provided however that any failure by the Directors to present such financial statements within that time period or any period specified by any Statute is hereby approved.

### **Resolved:**

That no Auditor be appointed for the current year, pursuant to S196(2) of The Companies Act 1993.

### **Resolved:**

That pursuant to Section 211(3) of The Companies Act 1993, the Annual Report for the year ended 31 March 2021 need not comply with any of the paragraphs (a) and (e) to (j) of Section 211(1).

### **Resolved:**

The Directors' recommendations as to dividend are approved, and no dividend is payable.

### **Resolved:**

The Shareholders hereby approve the Resolution as to nil Remuneration for the year ending 31 March 2021 contained in the Resolutions of Directors dated 31 March 2021.

### **Resolved:**

That any failure of the Directors to present the Financial Statements within any period specified by any Statute is hereby approved.



**Resolved (as a Special Resolution):**

That any transactions shown in the Financial Statements report which are 'Major Transactions' pursuant to Section 129 of The Companies Act 1993 are hereby ratified and approved.

**Signed by the Shareholders in Confirmation of the Foregoing:**

\_\_\_\_\_ Date .....

Technocraft Industries India Limited

HIGHMARK INTERNATIONAL  
TRADING FZE,  
UAE

**Highmark International Trading FZE****Balance Sheet**

1-Apr-2020 to 31-Mar-2021

<b>Liabilities</b>	<b>Amt in AED</b>	<b>Assets</b>	<b>Amt in AED</b>
<b>Capital Account</b>	<b>200,000</b>	<b>Fixed Assets</b>	<b>12,947,412</b>
Capital Account	200,000	Furniture & Office Equipments	8,403
<b>Loans (Liability)</b>	<b>2,178,011</b>	Houston Land	4,445,446
Mr. Ashish Kumar Saraf	-	Houston Warehouse	7,224,099
MR.SHARADKUMAR SARAF	-	Investment in Properties - Residence	4,611,540
TIL - UK	2,178,011	Provision for Dep on Furntiures & Office Equipment	(3,969)
<b>Current Liabilities</b>	<b>10,038,436</b>	Provision for Depreciation - Houston Warehouse	(1,349,306)
Duties & Taxes ( provision - houston Tax)	40,398	Provision for Depreciation - The Residence UAE	(1,988,802)
Sundry Creditors	9,977,539		
Amitraj Salary	10,000	<b>Current Assets</b>	<b>14,127,624</b>
Puthran CA Auditors	10,500	Closing Stock	-
		Deposits (Asset)	11,820
		Loans & Advances (Asset)	961,163
		Sundry Debtors	10,762,046
		Bank Accounts	2,121,302
		Consultancy Fees Receivable - TNZ	251,566
		Highmark Property Management Corporation	19,727
<b>Profit &amp; Loss A/c</b>	<b>14,658,590</b>		
Opening Balance	12,839,409		
Current Period	1,819,181		
<b>Total</b>	<b>27,075,036</b>	<b>Total</b>	<b>27,075,036</b>

## Highmark International Trading FZE

### Profit & Loss A/c

1-Apr-2020 to 31-Mar-2021

Particulars	Amt in AED	Particulars	Amt in AED
<b>Purchase Accounts</b>	<b>21,809,805</b>	<b>Sales Accounts</b>	<b>22,500,839</b>
Discount Received	-	Discount Given	-
Purchase Account...	21,809,805	Sales Account	22,500,839
<b>Direct Expenses</b>			
<b>Gross Profit c/o</b>	<b>691,034</b>		
	<b>22,500,839</b>		<b>22,500,839</b>
		<b>Gross Profit b/f</b>	<b>691,034</b>
<b>Indirect Expenses</b>	<b>1,417,179</b>	<b>Indirect Incomes</b>	<b>2,545,326</b>
Audit Fees	10,500	Compensation Received	850
Bank Charges	6,375	Fees Income	875,891
Computer Running Expense	1,906	Forex Gain	359,829
Depreciation on Furniture & Office Equipments	2,796	Other Incomes	1,050
Depreciation on The Residence Property-UAE	307,590	Rental Income - Houston	1,178,538
Depreciation on The Houston Warehouse Property-USA	481,608	Rental Income - Residence	129,167
Expenses on Property - Houston	77,058		
Expenses on Property - Residence	5,900		
Forex Gain / Loss	-		
HPMC Manager Fees	11,018		
Interest on Loan - UK	138,533		
Legal & Professional Fees	29,761		
Mobile Expenses	4,134		
Post & Courier Expenses	30		
Printing & Stationeries	40		
Salaries & Wages	120,000		
Staff Welfare Expenses	10,282		
Sundry Balances Written Off	0		
Tax on Property(Houston)	204,053		
Telephone & Internet	2,961		
Travelling & Conveyance	2,377		
VAT on Input ( VAT on Purchase) 5%	257		
<b>Nett Profit</b>	<b>1,819,181</b>		
<b>Total</b>	<b>3,236,360</b>	<b>Total</b>	<b>3,236,360</b>

AAIT / TECHNOCRAFT SCAFFOLD  
DISTRIBUTION LLC,  
USA

	Amt in USD
	<u>Dec 31, 20</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Bank of America - 0950	151,749.56
Bank of America - 1497	1,415.91
Bank of America - 5363	2,080.71
Bank of America - 5486	299,329.85
Citibank - 9982	3,011.95
Total Checking/Savings	<u>457,587.98</u>
Accounts Receivable	
Accounts Receivable	5,298,031.72
Total Accounts Receivable	<u>5,298,031.72</u>
Other Current Assets	
1200 - INVENTARIO	19,466,767.35
Employee Advances	3,300.00
Total Other Current Assets	<u>19,470,067.35</u>
Total Current Assets	<u>25,225,687.05</u>
<b>Fixed Assets</b>	
Computer Equipment	16,228.45
Furniture and Equipment	22,673.70
Warehouse Equipment	106,836.06
Leasehold Improvements	68,985.98
Accumulated Depreciation	(160,722.07)
Total Fixed Assets	<u>54,002.12</u>
<b>Other Assets</b>	
Prepaid Insurance	100,083.36
Loan Rec - Naval Logistics Inc	35,000.00
Deposit - Rent	21,000.00
Utility Deposits	600.64
Prepaid Int - LeaseDirect #2	853.31
Organization Costs	31,952.38
Accumulated Amortization	(17,490.00)
Total Other Assets	<u>171,999.69</u>
<b>TOTAL ASSETS</b>	<b><u>25,451,688.86</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	12,413,826.68
Total Accounts Payable	12,413,826.68
Credit Cards	
Bank of America 5083	82,054.04
Total Credit Cards	<u>82,054.04</u>
Other Current Liabilities	
Child Support Garnishment	1,391.55
Payroll Liabilities	222.97
Sales Tax Payable	175,646.84
Federal Income Tax Payable	37,579.00
State Income Tax Payable	64,619.00
Customer Deposits	29,053.36
Total Other Current Liabilities	<u>308,512.72</u>
Total Current Liabilities	12,804,393.44
<b>Long Term Liabilities</b>	
Note Pay - Citibank LOC	9,862,129.96
Note Pay - Lease Corp - \$1,248.	1,149.20
Note Pay - LeaseDirect \$561.77	9,107.49
Total Long Term Liabilities	<u>9,872,386.65</u>
Total Liabilities	22,676,780.09
<b>Equity</b>	
Capital Stock	100.00
Retained Earnings	2,203,211.96
Net Income	571,596.81
Total Equity	<u>2,774,908.77</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>25,451,688.86</u></b>

**AAIT/ Technocraft Scaffold Distribution LLC**  
**Profit & Loss**  
 January through December 2020

	Amt in USD
	Jan - Dec 20
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Credit	0.00
<b>4000 - SALES INCOME</b>	19,229,396.62
Service Charge	80,609.18
Interest Income	66,837.62
Sales Discounts	(12,894.53)
Refunds	(21,705.15)
<b>Total Income</b>	<b>19,342,243.74</b>
<b>Cost of Goods Sold</b>	
Purchases	14,047,895.70
Direct to Customer Purchases	1,238,469.81
Freight & Shipping Expenses	414,135.87
Customs & Duty Fees, Import Tax	95,132.01
Cost of Goods Sold	0.00
<b>Total COGS</b>	<b>15,795,633.39</b>
<b>Gross Profit</b>	<b>3,546,610.35</b>
<b>Expense</b>	
E-Commerce	28,471.71
Alarm	425.23
Advertising	102,969.72
Accounting	14,400.00
<b>Auto and Truck Expenses</b>	
Service & Maintenance	18,546.52
Service - Eduard	319.18
Fuel - Truck	9,784.34
Fuel - Eduard	1,689.81
Fuel - Ramesh	20.00
Fuel - Chapman	100.25
Fuel - John	376.40
Fuel - Justin	1,495.89
Fuel - Michael	679.99
Allowance - John	6,000.00
Allowance - Justin	4,730.00
Allowance - Ramesh	3,600.00
Allowance - Chapman	6,000.00
Parking and Tolls	6,872.38
<b>Total Auto and Truck Expenses</b>	<b>60,214.76</b>
Bad Debt	9,340.27
Bank Service Charges	21,667.35
Casual Labor	8,000.00
Cell Phone	498.01
Charitable Contributions	950.00
Cleaning and Janitorial	10,736.76
<b>Commissions</b>	
Jose Perez	22,438.34
Mike	11,527.92
Steve	12,790.28
Rafael	246.91
Commissions - Other	80.81
<b>Total Commissions</b>	<b>47,084.26</b>
<b>Computer Expenses</b>	
Office	809.23
<b>Total Computer Expenses</b>	<b>809.23</b>
Equipment Rental	74,879.02
<b>Insurance Expense</b>	
Health	37,091.90
Vehicle	3,192.23
Liability Insurance	176,864.74
Workers Compensation	2,565.00
Ins - Chapman	3,600.00
Ins - John	450.00
Ins - Justin	250.00
Insurance Expense - Other	0.00
<b>Total Insurance Expense</b>	<b>224,013.87</b>
Interest Expense	216,421.54
Internet	4,519.59
Legal & Professional Fees	9,114.42
Licenses and Fees	52,973.55
<b>Meals and Entertainment</b>	
Meals and Entertainment-Eduard	2,953.84
Meals and Entertainment-John	1,883.22
Meals and Entertainment - Justin	1,313.02
Meals and Entertainment-Ramesh	503.99
Meals & Entertainment - Chapman	1,494.26
<b>Total Meals and Entertainment</b>	<b>8,148.33</b>
<b>Office Supplies &amp; Expenses</b>	
Office Supplies-Eduard	9,109.38
Office Supplies-John	2,977.31
Office Supplies-Ramesh	2,935.90
Office Supplies - Chapman	210.76
Office Supplies - Justin	599.85
Office Supplies - Sammy	50.28
Office	247.01
<b>Total Office Supplies &amp; Expenses</b>	<b>16,130.49</b>
<b>Professional Fees</b>	
Consulting Fees	231,306.80
Outside Services	10,473.60
Ramesh	10.00
Professional Fees - Other	6,498.90
<b>Total Professional Fees</b>	<b>248,289.30</b>
Rent Expense	354,389.47
Repairs and Maintenance	9,455.29
<b>Shipping</b>	
Shipping-Eduard	222.63
Shipping-John	5,533.17
Shipping - Chapman	33.70



## Profit &amp; Loss

January through December 2020

	<u>Jan - Dec 20</u>
Shipping - Justin	128.20
Shipping - Office	14.55
<b>Total Shipping</b>	<u>5,932.25</u>
<b>Taxes</b>	
Social Security/Medicare	63,220.35
Unemployment - FL	756.00
Unemployment - CA	1,511.35
Unemployment - TX	812.32
Property	239,513.33
<b>Total Taxes</b>	<u>305,813.35</u>
<b>Telephone Expense</b>	
Eduard	2,336.25
John	681.55
Justin	1,160.00
Office / Cellular	1,858.50
<b>Total Telephone Expense</b>	<u>6,036.30</u>
<b>Travel</b>	
Eduard	8,843.41
John	3,621.88
Ramesh	7.90
Justin	4,868.25
Chapman	2,580.82
<b>Total Travel</b>	<u>19,922.26</u>
Utilities	6,179.53
Warehouse Expenses	32,321.00
<b>Wages</b>	
Officer	126,000.00
Others	889,185.03
Wages - Other	0.00
<b>Total Wages</b>	<u>1,015,185.03</u>
<b>Total Expense</b>	<u>2,915,311.89</u>
<b>Net Ordinary Income</b>	631,298.46
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Sale of 2007 Freightliner	26,900.26
Insurance Claim - CAT Forklift	15,000.00
Payroll Protection Prgrm Funds	137,600.00
Workers Comp Dividends	740.12
SBA EIDL Loan Advance	10,000.00
Other Income	1,804.90
Interest Inc - Naval Logistics	3,550.00
<b>Total Other Income</b>	<u>195,595.28</u>
<b>Other Expense</b>	
Depreciation Expense	36,490.00
Amortization Expense	2,241.00
Federal Income Tax Expense	150,884.39
State Income Tax Expense	65,681.54
<b>Total Other Expense</b>	<u>255,296.93</u>
<b>Net Other Income</b>	<u>(59,701.65)</u>
<b>Net Income</b>	<u>571,596.81</u>

TECHNOSOFT ENGINEERING, INC,  
USA

# Technosoft Engineering Inc. Balance Sheet

	<b>Mar 31, 21</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · Cash	160,639.05
<b>Total Checking/Savings</b>	160,639.05
<b>Accounts Receivable</b>	
1210 · Accounts Receivable-Trade	1,293,260.47
<b>Total Accounts Receivable</b>	1,293,260.47
<b>Other Current Assets</b>	
1400 · Other Receivables	977,506.86
1500 · Prepaid Exp	54,982.96
<b>Total Other Current Assets</b>	1,032,489.82
<b>Total Current Assets</b>	2,486,389.34
<b>Other Assets</b>	
1996 · Investment in Tech. Innovation	5,000.00
1999 · Investment in Tech. Services	10,000.00
<b>Total Other Assets</b>	15,000.00
<b>TOTAL ASSETS</b>	<b>2,501,389.34</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2010 · Accounts Payable-Trade	360,685.61
<b>Total Accounts Payable</b>	360,685.61
<b>Credit Cards</b>	
American Express	16,234.22
<b>Total Credit Cards</b>	16,234.22
<b>Other Current Liabilities</b>	
2200 · Accrued Expenses	88,148.28
2300 · Accrued Payroll	133,076.15
2370 · NY PFL Tax	1,001.54
2410 · Line of Credit	100,212.12
2620 · Debtor Advance	44,492.00
2630 · Security Deposit	2,961.00
<b>Total Other Current Liabilities</b>	369,891.09
<b>Total Current Liabilities</b>	746,810.92
<b>Total Liabilities</b>	746,810.92
<b>Equity</b>	
3010 · Capital Stock	130,000.00
3020 · Treasury Stock	-420,704.96
3510 · Retained Earnings	1,210,931.88
Net Income	834,351.50
<b>Total Equity</b>	1,754,578.42
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,501,389.34</b>

# Technosoft Engineering Inc. Profit & Loss

Jan '20 - Mar 21

Ordinary Income/Expense

<b>Income</b>	
4110 · Project Revenue	3,782,558.48
4115 · Technosoft Offshore	1,607,124.60
4310 · On-Site Revenue	5,171,484.11
4510 · Perm Placement Revenue	43,750.00
4610 · Material Income	235.00
4710 · Reimb Revenue	298,940.10
<b>Total Income</b>	<b>10,904,092.29</b>
<b>Cost of Goods Sold</b>	
5010 · Labor-Direct	3,686,265.97
5110 · P/R Taxes-FICA	222,508.33
5120 · P/R Taxes-Unemployment	19,092.08
5210 · Insurance-Health & Life	251,663.33
5220 · Insurance-LTD & STD	7,821.91
5240 · Dental/Eye Expense	780.00
5410 · Visa Expenses	157,675.41
5430 · Material Purchase	225.00
5460 · Travel - Indirect	195,781.22
5630 · Software Maintenance	4,990.05
5685 · AM Incentive	22,628.27
5810 · Technosoft Outsource	4,554,374.80
<b>Total COGS</b>	<b>9,123,806.37</b>
<b>Gross Profit</b>	<b>1,780,285.92</b>
<b>Expense</b>	
6000 · Sales Expenses	
6010 · Salaries	0.00
6110 · P/R Taxes-FICA	0.00
6210 · Insurance-Health & Life	13,466.87
6220 · Insurance-LTD & STD	289.86
6240 · Dental/Eye Expense	1,775.00
6310 · Travel	43,754.60
6570 · Marketing Expense	26,865.47
6710 · Sales Cloud Software Expense	35,660.94
6801 · Sales and Recruitment Support	659,724.64
<b>Total 6000 · Sales Expenses</b>	<b>781,537.38</b>
7000 · Recruiting Exp	
7510 · Recruiting & Employment Costs	26,851.99
<b>Total 7000 · Recruiting Exp</b>	<b>26,851.99</b>
8000 · Admin Exp	
8010 · Salaries	164,187.50
8110 · P/R Taxes-FICA	12,371.52
8120 · P/R Taxes-Unemployment	927.63
8210 · Insurance-Health & Life	10,040.37
8220 · Insurance-LTD & STD	483.75
8310 · Travel	7,028.91
8410 · 401K Admin Charges	1,100.00
8420 · Payroll Processing Charges	12,217.56
8510 · Professional Fees	15,787.82

Technosoft Engineering Inc.  
**Profit & Loss**

	<u>Jan '20 - Mar 21</u>
8520 · State Filing fees	405.28
8530 · Bank Charges	62,854.76
8610 · Office Supplies	4,406.45
8630 · Maintenance-Off. Equip- S/W	2,526.44
8640 · Postage	9,184.51
8650 · Moving Expenses	1,175.85
8660 · IT Infrastructure	13,369.47
8725 · Rent	54,424.37
8730 · Office Cleaning/Maintenance	889.80
8750 · Telephone-Basic	30,068.77
8755 · Telephone-Cellular	14,527.80
8760 · Internet Charges	180.59
8770 · Insurance	
8772 · Property & Liability	60,869.55
8774 · Insurance-Workers' Comp	202.22
8776 · E & O Insurance	53,125.60
Total 8770 · Insurance	<u>114,197.37</u>
8800 · Bad Debts	<u>14,435.52</u>
Total 8000 · Admin Exp	546,792.04
8900 · Management Expenses	
8910 · Consulting Contracts	<u>22,500.00</u>
Total 8900 · Management Expenses	<u>22,500.00</u>
Total Expense	<u>1,377,681.41</u>
Net Ordinary Income	402,604.51
Other Income/Expense	
Other Income	
9215 · Loan Write Off	<u>502,000.00</u>
Total Other Income	502,000.00
Other Expense	
9010 · Interest Expense	17,253.01
9210 · Federal Income Taxes	<u>53,000.00</u>
Total Other Expense	<u>70,253.01</u>
Net Other Income	<u>431,746.99</u>
Net Income	<u><u>834,351.50</u></u>

**TECHNOSOFT GMBH,  
GERMANY**

# Technosoft GMBH

## Balance Sheet

As of March 31, 2021

	<u>Amt in Euro</u>
	<u>Total</u>
<b>Assets</b>	
<b>Current Assets</b>	
<b>Accounts receivable</b>	
Accounts Receivable	75,724.09
<b>Total Accounts receivable</b>	<b>€ 75,724.09</b>
<b>1000 - Cash</b>	
1030 - Petty Cash	0.00
1050 - Checking - Sparkasse Karlsruhe Bank	26,100.30
1055 - Dortmund 113100	0.00
1070 - Cash - Payroll Clearing Account	2,608.75
<b>Total 1000 - Cash</b>	<b>€ 28,709.05</b>
<b>1400 - Other Receivables</b>	
1410 - Employee Advances	3,500.00
1420 - Social Security Liabilities	1,302.70
1450 - Input Tax Ded. following period/year	703.00
<b>Total 1400 - Other Receivables</b>	<b>€ 5,505.70</b>
<b>1500 - Prepaid Exp.</b>	
1520 - Prepaid Legal Fees / Visa Fees	0.00
1530 - Prepaid Travel / Entry Expense	0.00
1580 - Prepaid Exp-Billable to Client	0.00
1590 - Prepaid Other	838.06
<b>Total 1500 - Prepaid Exp.</b>	<b>€ 838.06</b>
<b>Total Current Assets</b>	<b>€ 110,776.90</b>
<b>Total Assets</b>	<b>€ 110,776.90</b>
<b>Liabilities and shareholder's equity</b>	
<b>Current liabilities:</b>	
<b>Accounts payable</b>	
Accounts Payable (A/P)	33,597.86
<b>Total Accounts payable</b>	<b>€ 33,597.86</b>
<b>Master Card 5526 77402 0503 2449</b>	0.00
Chaitanya Raj Bhide - 5526 74XX XXXX 2653	0.00
Gunter Wiskot - 5526 74XX XXXX 2456	0.00
<b>Total Master Card 5526 77402 0503 2449</b>	<b>€ 0.00</b>
<b>2200 - Accrued Expenses</b>	
2215 - Accrued Vendor Invoices	504.00
<b>Total 2200 - Accrued Expenses</b>	<b>€ 504.00</b>
<b>2290 - Accrued Miscellaneous Expense</b>	0.00
<b>2300 - Accrued Payroll</b>	
2330 - Accrued Payroll Taxes	2,325.84
<b>Total 2300 - Accrued Payroll</b>	<b>€ 2,325.84</b>
<b>2310 - Accrued Wages</b>	0.00
<b>2320 - Accrued Commissions</b>	0.00
<b>2420 - Other Liability</b>	400.00
<b>2500 - Unsecured Loan</b>	160,000.00
<b>3000 - Provisions</b>	0.00
3010 - Other Provisions	837.68
<b>Total 3000 - Provisions</b>	<b>€ 837.68</b>
<b>VAT Payable</b>	154,198.05
<b>VAT Suspense</b>	-145,520.65
<b>Total current liabilities</b>	<b>€ 206,342.78</b>
<b>Shareholders' equity:</b>	
<b>Net Income</b>	2,150.18
<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>	-114,827.21
<b>Total shareholders' equity</b>	<b>-€ 95,565.88</b>
<b>Total liabilities and equity</b>	<b>€ 110,776.90</b>

**Technosoft GMBH**  
**Profit and Loss**  
**January 2020 - March 2021**

	<b>Amt in Euro</b>
	<b>Total</b>
<b>Income</b>	
4115 - Technosoft Offshore	287,343.50
4120 - ITES Technosoft	21,528.00
4310 - Onsite Revenue	320,943.90
<b>Total Income</b>	<b>€ 629,815.40</b>
<b>Cost of Sales</b>	
<b>Cost of sales</b>	
5010 - Labor-Direct	175,903.71
5210 - Insurance-Health & Life	33,474.24
5460 - Travel - Indirect	19,643.76
5810 - Technosoft Outsource	249,522.20
<b>Total Cost of sales</b>	<b>€ 478,543.91</b>
<b>Total Cost of Sales</b>	<b>€ 478,543.91</b>
<b>Gross Profit</b>	<b>€ 151,271.49</b>
<b>Expenses</b>	
<b>6000 - Sales Expenses</b>	
6010 - Salaries	53,000.00
6020 - Sales Commissions	18,593.11
6210 - Insurance-Health & Life	13,221.05
6310 - Travel	11,653.23
6320 - Meals & Entertainment	641.16
6750 -Telephone-Basic	778.03
6801 - Sales & Recruitment Support	30,000.00
<b>Total 6000 - Sales Expenses</b>	<b>€ 127,886.58</b>
<b>8000 - Admin Exp</b>	
8320 - Meals & Entertainment	354.35
8510 - Professional fees	3,301.80
8530 - Bank charges	510.91
8560 - Legal fees	10,445.77
8610 - Office Supply	296.96
8760 - Internet Charges	738.18
8770 - Insurance	1,229.14
8800 - Bad Debts	1,190.00
<b>Total 8000 - Admin Exp</b>	<b>€ 18,067.11</b>
9010 - Interest Expense	3,167.62
<b>Total Expenses</b>	<b>€ 149,121.31</b>
<b>Net Earnings</b>	<b>€ 2,150.18</b>



TECHNOSOFT ENGINEERING  
UK LTD,  
UK

**Technosoft Engineering UK Limited**  
**Balance Sheet**  
As of March 31, 2021

	Amt in GBP Total
<b>Fixed Asset</b>	
<b>Tangible assets</b>	
1800 - Fixed Assets	
1820 - Computer Hardware	241.64
1860 - Laptop	846.45
<b>Total 1800 - Fixed Assets</b>	<b>£ 1,088.09</b>
1900 - Accum. Depr.	
1920 - Accum Depr-Computer Hardware	-1,088.09
<b>Total 1900 - Accum. Depr.</b>	<b>-£ 1,088.09</b>
<b>Total Tangible assets</b>	<b>£ 0.00</b>
<b>Total Fixed Asset</b>	<b>£ 0.00</b>
<b>Cash at bank and in hand</b>	
1000 - Cash	
1050 - Checking - Citibank General	83,827.21
1070 - Cash-Payroll Clearing Account	-30,732.70
<b>Total 1000 - Cash</b>	<b>£ 53,094.51</b>
<b>Total Cash at bank and in hand</b>	<b>£ 53,094.51</b>
<b>Debtors</b>	
Debtors	139,072.56
Debtors - EUR	0.00
Debtors - USD	0.00
<b>Total Debtors</b>	<b>£ 139,072.56</b>
<b>Current Assets</b>	
1210 - Accounts Receivable-Trade	0.00
1400 - Other receivables	
1410 - Employee Advances	1,500.00
1450 - Receivable-Technosoft Engineering Inc	0.00
<b>Total 1400 - Other receivables</b>	<b>£ 1,500.00</b>
1500 - Prepaid Exp	
1510 - Prepaid Insurance	47.20
1520 - Prepaid Legal Fees/Visa Fees	0.00
1570 - Prepaid Rent	0.00
1590 - Prepaid Other	2,291.69
<b>Total 1500 - Prepaid Exp</b>	<b>£ 2,338.89</b>
1600 - Security Deposits	479.15
Other debtors	311.47
<b>Total Current Assets</b>	<b>£ 4,629.51</b>
<b>Net current assets</b>	<b>£ 196,796.58</b>
<b>Creditors: amounts falling due within one year</b>	
<b>Trade Creditors</b>	
Creditors	50,528.02
<b>Total Trade Creditors</b>	<b>£ 50,528.02</b>
<b>Current Liabilities</b>	
2010 - Accounts Payable-Trade	3,287.57
2200 - Accrued Expenses	
2215 - Accrued Vendor Invoices	0.00
2250 - Accrued Income Tax	0.00
<b>Total 2200 - Accrued Expenses</b>	<b>£ 0.00</b>
2300 - Accrued Payroll	
2310 - Accrued Wages	0.00
2320 - Accrued Commissions	0.00
2330 - Accrued Payroll Taxes	11,007.88
2340 - NEST Pension	0.00
<b>Total 2300 - Accrued Payroll</b>	<b>£ 11,007.88</b>
2500 - Unsecured Loan	90,568.43
VAT Control	31,819.83
VAT Suspense	0.00
<b>Total Current Liabilities</b>	<b>£ 136,683.71</b>
<b>Total Creditors: amounts falling due within one year</b>	<b>£ 187,211.73</b>
<b>Net current assets (liabilities)</b>	<b>£ 9,584.85</b>
<b>Total assets less current liabilities</b>	<b>£ 9,584.85</b>
<b>Total net assets (liabilities)</b>	<b>£ 9,584.85</b>
<b>Capital and Reserves</b>	
Ordinary share capital	1.00
Retained Earnings	-4,032.08
Profit for the year	13,615.93
<b>Total Capital and Reserves</b>	<b>£ 9,584.85</b>

# Technosoft Engineering UK Limited

## Profit and Loss

January 2020 - March 2021

	Amt in GBP
	<u>Total</u>
Income	
4110 - Project Revenue	6,205.00
4310 - On-Site Revenue	795,568.66
<b>Total Income</b>	<b>£ 801,773.66</b>
Cost of Sales	
Cost of Goods Sold	
5010 - Labor-Direct	570,835.54
5110 - P/R Taxes-FICA	38,725.57
5410 - Visa Expenses	17,230.49
5810 - Technosoft Outsource	132,692.56
<b>Total Cost of Goods Sold</b>	<b>£ 759,484.16</b>
<b>Total Cost of Sales</b>	<b>£ 759,484.16</b>
<b>Gross Profit</b>	<b>£ 42,289.50</b>
Expenses	
6000 - Sales Expenses	
6310 - Travel	0.00
6330 - Telephone-Basic	1,659.42
<b>Total 6000 - Sales Expenses</b>	<b>£ 1,659.42</b>
8000 - Admin Exp	
8220 - Insurance	5,802.68
8510 - Professional Fees	12,738.44
8530 - Bank Charges	2,063.11
8710 - Rent	3,687.16
8800 - Bad Debts	2,267.76
Depreciation	455.00
<b>Total 8000 - Admin Exp</b>	<b>£ 27,014.15</b>
<b>Total Expenses</b>	<b>£ 28,673.57</b>
<b>Net Operating Income</b>	<b>£ 13,615.93</b>
Other Expenses	
Unrealised 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>£ 13,615.93</b>

TECHNOSOFT INNOVATIONS INC,  
USA

**Technosoft Innovations Inc**  
**Balance Sheet**  
As of March 31, 2021

**Amt in USD**  
**Total**

**ASSETS**

**Current Assets**

**Bank Accounts**

**1000 - Cash**

1050 - Checking - Citibank	63,575.78
1060 - Checking - PNC	0.00
1070 - Cash - Payroll Clearing Account	0.00

**Total 1000 - Cash** **\$ 63,575.78**

**Total Bank Accounts** **\$ 63,575.78**

**Accounts Receivable**

Accounts Receivable	64,707.92
Accounts Receivable (A/R) - EUR	0.00

**Total Accounts Receivable** **\$ 64,707.92**

**Other Current Assets**

**1400 - Other Receivables**

1410 - Employee Advances	0.00
1450 - Receivable - Technosoft Engineering Projects Limited	0.00
1480 - Receivable - Debtors	0.00
1490 - Receivable - Technosoft Engineering Inc	0.00

**Total 1400 - Other Receivables** **\$ 0.00**

**1500 - Prepaid Exp.**

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.	1,551.01
1555 - Prepaid Software	4,118.41
1565 - Prepaid Professional fees	2,880.00
1580 - Prepaid Exp-Billable to Client	70.00
1590 - Prepaid Other	0.00
1596 - Prepaid Advertisement Exp.	0.00

**Total 1500 - Prepaid Exp.** **\$ 8,619.42**

**1600 - Security Deposit** 1,480.50

**1700 - Goodwill** 222,000.00

**1701 - Accum Depr-Goodwill** -107,300.00

**1750 - Covenant not to compete** 50,000.00

**1751 - Accum Depr-Convenant** -48,333.28

**Total Other Current Assets** **\$ 126,466.64**

**Total Current Assets** **\$ 254,750.34**

**Fixed Assets**

**1800 - Fixed Assets**

1810 - Furniture	21,582.20
1820 - Computer Hardware	31,141.48
1821 - Check Scanner	0.00
1830 - Computer Software	10,281.00
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

**Total 1800 - Fixed Assets** **\$ 91,826.99**

**1900 - Accum. Depr.**

1910 - Accum Depr-Furniture	-17,468.36
1920 - Accum Depr-Computer Hardware	-25,874.01
1930 - Accum Depr-Computer Software	-9,286.96
1960 - Accum. Depr-3D Printer	-9,029.37
1970 - Accum Depr.-Other Equipment	-16,752.24
1991 - Accum Depr.-Television	-923.27
1992 - Accum Depr.-Refrigerator	-456.02
1993 - Accum Depr.-Microwave Oven	-136.62

**Total 1900 - Accum. Depr.** **-\$ 79,926.85**

**Total Fixed Assets** **\$ 11,900.14**

**TOTAL ASSETS** **\$ 266,650.48**

**LIABILITIES AND EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

Accounts Payable	-574,140.93
------------------	-------------

Total Accounts Payable	-\$ 574,140.93
Other Current Liabilities	
2010 - Accounts Payable-Trade	0.00
2200 - Accrued Expenses	
2215 - Accrued Vendor Invoices	0.00
2216 - Accrued Vastek Inc	0.00
2217 - Accrued Mobiveil Inc	0.00
2218 - Accrued SN	1,810.93
2219 - Accrued Other	4,088.54
Total 2215 - Accrued Vendor Invoices	\$ 5,899.47
2250 - Accrued Income Tax	0.00
2250 - Security Deposit	0.00
2270 - Anuva Earnout Payable	150,000.00
Total 2200 - Accrued Expenses	\$ 155,899.47
2300 - Accrued Payroll	
2310 - Accrued Wages	0.00
2320 - Accrued Commissions	0.00
2330 - Accrued Payroll Taxes	0.00
2340 - Withheld 401K	0.00
2360 - Garnishment	0.00
Total 2300 - Accrued Payroll	\$ 0.00
2400 - Debtors Advance	65,271.00
2500 - Unsecured Loan	850,000.00
Total Other Current Liabilities	\$ 1,071,170.47
Total Current Liabilities	\$ 497,029.54
Total Liabilities	\$ 497,029.54
Equity	
2000 - Share Capital	5,000.00
Retained Earnings	-488,695.75
Net Income	253,316.69
Total Equity	-\$ 230,379.06
TOTAL LIABILITIES AND EQUITY	\$ 266,650.48

# Technosoft Innovations Inc

## Profit and Loss

January 2020 - March 2021

Amt in USD

Total

	Total
<b>Income</b>	
Billable Expense Income	15,575.24
Consulting Income	816,237.17
Markup	24,110.37
Material Income	196,658.20
<b>Total Income</b>	<b>\$ 1,052,580.98</b>
<b>Cost of Goods Sold</b>	
<b>Cost of Goods Sold</b>	
5010 - Labor-Direct	97,509.19
5110 - P/R Taxes-FICA	3,256.17
5120 - P/R Taxes-Unemployment	549.04
5210 - Insurance-Health & Life	8,700.34
5220 - Insurance-LTD & STD	133.92
5410 - Visa Expenses	1,274.00
5430-Material Purchase	209,232.50
5440 - Materials Purchase Non Billable	5,052.89
5460 - Travel - Indirect	13,650.47
5630 - Software Maintenance	6,048.24
5720 - Subcontractor Expense	121,152.78
5810 - Technosoft Outsource	76,544.00
<b>Total Cost of Goods Sold</b>	<b>\$ 543,103.54</b>
<b>Total Cost of Goods Sold</b>	<b>\$ 543,103.54</b>
<b>Gross Profit</b>	<b>\$ 509,477.44</b>
<b>Expenses</b>	
<b>Expense</b>	
6000 - Sales Expenses	
6010 - Salaries	0.00
6110 - P/R Taxes-FICA	0.00
6120 - P/R Taxes-Unemployment	0.00
6210 - Insurance-Health & Life	0.00
6220 - Insurance-Ltd & STD	0.00
6801 - Sales & Recruitment Support	8,128.35
<b>Total 6000 - Sales Expenses</b>	<b>\$ 8,128.35</b>
8000 - Admin Exp	
8310 - Travel	164.40
8320 - Meals & Entertainment	665.64
8420 - Payroll Processing Charges	250.90
8510 - Professional Fees	16,821.79
8520 - State Filing Fees	62.00
8530 - Bank Charges	658.02
8610 - Office Supplies	625.62
8615 - Move Expenses	516.99
8630 - Maintenance-Off.Equip-S/W	10,793.87
8640 - Postage	146.38
8650 - Postage - Billable	0.00
8660 - IT Infrastructure	4,809.78
8670 - Depreciation	62,078.46
8725 - Rent	56,097.64
8730 - Office Cleaning/Maintenance	9,045.39
8740 - Gas/Electric	6,040.65
8750 -Telephone-Basic	3,768.79
8760 - Internet Charges	2,651.57
8800 - Bad debts	72,526.73
<b>Total 8000 - Admin Exp</b>	<b>\$ 247,724.62</b>
9220 - State Income Taxes	-81.02

<b>Total Expense</b>	<b>\$</b>	<b>255,771.95</b>
<b>Total Expenses</b>	<b>\$</b>	<b>255,771.95</b>
<b>Net Operating Income</b>	<b>\$</b>	<b>253,705.49</b>
<b>Other Expenses</b>		
<b>Unrealized Gain or Loss</b>		0.00
<b>Exchange Gain or Loss</b>		388.80
<b>Total Other Expenses</b>	<b>\$</b>	<b>388.80</b>
<b>Net Other Income</b>	<b>-\$</b>	<b>388.80</b>
<b>Net Income</b>	<b>\$</b>	<b>253,316.69</b>



TECHNOSOFT SERVICES INC,  
USA

Technosoft Services Inc.  
Balance Sheet

Mar 31, 21

ASSETS

Current Assets

Checking/Savings

1000 Cash

1050 Checking-Citi Bank General 27,759.29

1070 Cash-Payroll Clearing A/c 24,085.93

Total 1000 Cash 51,845.22

Total Checking/Savings 51,845.22

Accounts Receivable

1210 Accounts Receivable-Trad 186,432.78

Total Accounts Receivable 186,432.78

Other Current Assets

1400 Other Receivables

1410 Employee Advance -700.00

1492 Receivable-Tech. Eng. Inc 50,000.00

Total 1400 Other Receivables 49,300.00

1500 Prepaid Exp

1520 Prepaid Legal Fees/Visa 1,133.32

1530 Prepaid Travel/Entry Exp 2,279.33

1550 Prepaid Moving Expenses 3,527.51

1575 Security Deposits 1,480.50

1590 Prepaid Other 855.00

Total 1500 Prepaid Exp 9,275.66

Total Other Current Assets 58,575.66

Total Current Assets 296,853.66

**TOTAL ASSETS 296,853.66**

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Accounts Payable

2010 Accounts Payable-Trade 20,009.80

Total Accounts Payable 20,009.80

Other Current Liabilities

2200 Accrued Expenses

2250 Accrued Income Tax 10,200.00

Total 2200 Accrued Expenses 10,200.00

2300 Accrued Payroll

2310 Accrued Wages 43,057.34

2330 Accrued Payroll Taxes 6,370.36

Total 2300 Accrued Payroll 49,427.70

2370 NY PFL TAX 4.89

Total Other Current Liabilities 59,632.59

Total Current Liabilities 79,642.39

Total Liabilities 79,642.39

Equity

2000 Share Capital 10,000.00

Retained Earnings 127,898.86

Net Income 79,312.41

Total Equity 217,211.27

**TOTAL LIABILITIES & EQUITY 296,853.66**

**Technosoft Services Inc.  
Profit & Loss**

	<u>Jan '20 - Mar 21</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4315 Technosoft Onsite Revenue	1,378,599.01
4320 Contract Revenue	20,088.00
4710 Reimb Revenue	112,185.51
<b>Total Income</b>	<u>1,510,872.52</u>
<b>Cost of Goods Sold</b>	
5010 Labor-Direct	956,007.03
5110 P/R Taxes-FICA	66,466.01
5120 P/R Taxes-Unemployment	4,869.27
5210 Insurance-Health & Life	75,143.51
5220 Insurance-LTD & STD	3,292.50
5240 Dental/Eye Expense	450.00
5410 Visa Expenses	32,041.78
5460 Travel - Indirect	37,168.95
5685 AM Incentive	1,184.26
<b>Total COGS</b>	<u>1,176,623.31</u>
<b>Gross Profit</b>	334,249.21
<b>Expense</b>	
<b>6000 Sales Expenses</b>	
6801 Sales and Recruitment Su	57,779.78
<b>Total 6000 Sales Expenses</b>	<u>57,779.78</u>
<b>7000 Recruiting Exp</b>	
7510 Recruiting & Employment	28.00
<b>Total 7000 Recruiting Exp</b>	<u>28.00</u>
<b>8000 Admin Exp</b>	
8420 Payroll Processing Charg	2,396.28
8510 Professional Fees	2,707.00
8520 State Filing fees	2,377.64
8530 Bank Charges	1,664.86
8640 Postage	118.02
8650 - Moving Expenses	1,175.85
8725 Rent	23,949.37
8800 Bad Deb	2,540.00
<b>Total 8000 Admin Exp</b>	<u>36,929.02</u>
8900 Management Expenses	150,000.00
<b>Total Expense</b>	<u>244,736.80</u>
<b>Net Ordinary Income</b>	89,512.41
<b>Other Income/Expense</b>	
<b>Other Expense</b>	
9210 Federal Income Taxes	10,200.00
<b>Total Other Expense</b>	<u>10,200.00</u>
<b>Net Other Income</b>	-10,200.00
<b>Net Income</b>	<u><u>79,312.41</u></u>