



INDEPENDENT AUDITORS' REPORT

To the Members of Verasys Technologies Private Limited

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **Verasys Technologies Private Limited ("the Company")** which comprises the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and statement of cash flows 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and profit, (changes in equity)¹ and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating



effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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 Responsibility for the Audit of the Financial Statements

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

Other Matter

There is no branch of company therefore branch audit is not required.

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 1" 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:

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

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. 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 2".
- f. 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. There is no pending litigation on the company.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company


K.K. GUPTA
FCA (M.No. 8311)
For and on behalf of
KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N



Place: New Delhi

Dated: May 18, 2018

“Annexure 1” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of **Verasys Technologies Private Limited** for the year ended March 31, 2018:

- 1) (a) The Company has maintained proper records showing full particulars, including Quantitative details and situation of fixed assets;

(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

(c) The title deeds of immovable properties are held in the name of the company.
- 2) (a) The Management has conducted the Physical verification of Inventory at reasonable intervals.

(b) The Discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. . Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.



- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year



under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

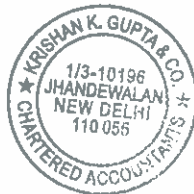
15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.


K.K. GUPTA
FCA (M. No. 8311)
For and on behalf of
KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N

Place: New Delhi

Dated: May 18, 2018





"Annexure 2" 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 **Verasys Technologies Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 judgement, 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 March 31, 2018, 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.


K.K. GUPTA

FCA (M. No. 8311)

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N



Place: New Delhi

Dated: May 18, 2018

Verasys Technologies Private Limited
Balance Sheet as on 31st-March-2018

	Note	31st-March-2018 Rs.	31st-March-2017 Rs.
Assets			
Non-current assets			
(a) Property, plant and equipments	1 (i)	2,48,05,667	1,84,23,761
(b) Intangible Assets	1(ii)	90,80,860	20,37,813
(c) Financial Assets			
(i) Other financial assets	2	25,000	25,000
(d) Deferred tax assets (Net)	3	1,63,764	1,89,966
Total Non- Current Assets		3,40,75,291	2,06,76,540
Current Assets			
(a) Financial Assets			
(i) Cash and cash equivalents	4	10,08,223	80,04,952
(b) Other current assets	5	1,80,99,447	1,47,38,637
Total Current Assets		1,91,07,670	2,27,43,589
TOTAL ASSETS		5,31,82,961	4,34,20,129
EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	6	5,05,00,000	3,74,00,000
(b) Other Equity	7	2,65,974	17,99,592
Total Equity		5,07,65,974	3,91,99,592
Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liability	8	-	1,975
Total Non-current liabilities		-	1,975
Current Liabilities			
(a) Financial liabilities			
(i) Trade payables	9	-	7,44,195
(b) Current income tax liabilities (net)	10	62,036	(12,669)
(c) Other current liabilities	11	23,54,951	34,87,036
Total Current Liabilities		24,16,987	42,18,562
TOTAL EQUITY AND LIABILITIES		5,31,82,961	4,34,20,129

Notes forming part of Financial Statements

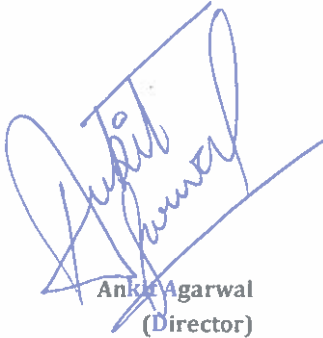
1-13

The Notes referred to above form an integral part of the Financial Statements

As per our report attached
For Krishan K. Gupta & Co.
Chartered Accountants
FRN No.000009N


K. K. Gupta
Proprietor
M. No. 8311




Ankit Agarwal
(Director)
DIN 01191951


Prashant Vasant Iad
(Director)
DIN 00760815


Yash Jeet Basrar
(Director)
DIN 00112857

Place : New Delhi

Date : 18.05.2018

Verasys Technologies Private Limited
Statement of Profit & Loss for the year ended on 31st-March-2018

	Note	31st-March-2018 Rs.	31st-March-2017 Rs.
Revenue from operations Gross			
Other Income			
- Interest Income		3,93,505	1,26,690
Total Revenue		3,93,505	1,26,690
Expenses			
Employees Benefit expense		-	1,34,025
Other Expenses	12	-	9,83,039
Total Expenses		-	11,17,064
Profit before Tax		3,93,505	(9,90,374)
Tax Expense			
Current Tax		1,01,329	-
Deferred Tax		26,202	(1,89,966)
Prior Period Tax Adjustment		-	-
Profit(Loss) for the period		2,65,974	(8,00,408)
Other Comprehensive Income / (Losses)			
(a) Items that will not be reclassified subsequently to the statement of profit and loss			
(i) Remeasurement of defined employee benefit plans			
(ii) Changes in fair values of investments in equities carried at fair value through OCI			
(iii) Income Tax on items that will not be reclassified subsequently to the statement			
(b) Items that will be reclassified subsequently to the statement of profit and loss			
(i) Exchange differences in translating the financial statement of a foreign operation			
(ii) Income Tax on items that will be reclassified subsequently to the statement of profit and loss			
Total Other Comprehensive Income / (Losses)		-	-
Total Comprehensive Income for the year :		2,65,974	(8,00,408)
Earning per equity share:			
Basic		0.07	(0.21)
Diluted		0.07	(0.83)

Notes forming part of Financial Statements

1-13

The Notes referred to above form an integral part of the Financial Statements

As per our report attached
For Krishan K. Gupta & Co.
Chartered Accountants
FRN No.000009N


K. K. Gupta
Proprietor
M. No. 8311




Anil Agarwal
(Director)
DIN 01191951


Prashant Vasant Iad
(Director)
DIN 00760815


Yash Jeet Basrar
(Director)
DIN 00112857

Place : New Delhi
Date : 18.05.2018


Verasys Technologies Private Limited
Cash Flow Statement for the year ended on 31st-March-2018

	31st-March-2018	31st-March-2017
	Rs.	Rs.
(A) Cash Flow From Operating Activities		
Net Profit After tax as per profit and loss account	3,93,505	(9,90,374)
Adjusted for:		
Depreciation	-	-
Interest Income	(3,93,505)	(1,26,690)
Exchange (Gain) / Loss on Conversion Current Items	9,515	-
Operating Profit before working capital Changes	9,515	(11,17,064)
Increase/(Decrease) in Trade Payable	(7,53,710)	2,97,480
(Decrease)/Increase in Other Current Liabilities	(11,32,085)	1,47,684
Decrease/(Increase) in Trade Deposit	-	(25,000)
Decrease/(Increase) in Inventories	-	(75,34,414)
(Increase)/Decrease in Other Current Assets	(33,60,809)	(72,04,223)
Cash Generated from Operations	(52,37,089)	(1,54,35,538)
Income Taxes paid	(26,624)	(12,669)
Net cash Flow from Operating Activities	(A) (52,63,713)	(1,54,48,207)
(B) Cash Flow From Investing Activities		
Capital Work In Progress	(1,26,24,545)	(1,66,75,507)
Interest Income	3,93,505	1,26,690
Net cash Flow from Investing Activities	(B) (1,22,31,040)	(1,65,48,817)
(C) Cash Flow From Financing Activities		
Short term Borrowings from Directors	(1,975)	1,975
Proceeds from Issue of Shares	1,31,00,000	3,74,00,000
Share Application Money	(26,00,000)	26,00,000
Net cash flow from Financing Activities	(C) 1,04,98,025	4,00,01,975
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(69,96,729)	80,04,952
Add: Cash and cash equivalents as at the beginning of the year	80,04,952	-
Cash and cash equivalents as at the end of the year	10,08,223	80,04,952

For Krishan K. Gupta & Co.
Chartered Accountants


K. K. Gupta
Proprietor
M. No. 8311




Ankit Agarwal
(Director)
DIN 01191951


Prashant Vasant Iad
(Director)
DIN 00760815

Place : New Delhi
Date : 18.05.2018


Yash Jeet Basrar
(Director)
DIN 00112857

Verasys Technologies Private Limited
Notes forming part of financial statements for the year ended on 31st-March-2018

1

Note No.

DESCRIPTION OF THE ASSET	GROSS BLOCK		DEPRECIATION		NET BLOCK		
	As on 01-Apr-17 Rs.	Additions / (Deductions) Rs.	As on 31-Mar-18 Rs.	As on 01-Apr-17 Rs.	for the year Rs.	As on 31-Mar-18 Rs.	As on 31-Mar-17 Rs.
(i) Property, plant and equipments Capital Work in Progress Data Centre Set up	1,84,23,761	63,81,906	2,48,05,667	-	-	2,48,05,667	1,84,23,761
(ii) Intangible Assets Under Development RA Portal software under development	20,37,813	70,43,047	90,80,860	-	-	90,80,860	20,37,813
Total	2,04,61,574	1,34,24,953	3,38,86,527	-	-	3,38,86,527	2,04,61,574
Previous Year Figure	-	2,04,61,574	2,04,61,574	-	-	2,04,61,574	-



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31st-March-2018

	31st-March-2018	31st-March-2017
	Rs.	Rs.
Note No. 2 Other financial assets		
Deposit with Revenue Authorities	25,000	25,000
Total	25,000	25,000

Note No. 3 Deferred tax assets (Net)

Deferred Tax Assets

Preliminary Expenses	1,63,764	1,89,966
Total (A)	1,63,764	1,89,966

Deferred Tax Liability

Depreciation & Amortisation	-	-
Total (B)	-	-

Net Deferred Tax Asset / (Liability)

Total	1,63,764	1,89,966
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Note No. 4 Cash and cash equivalents

Cash and Bank Balances

Cash on hand (As certified by directors)	1,034	1,00,612
Balance with Schedule Bank in Current account	2,985	18,25,880
In Fixed Deposit accounts with banks	10,04,204	60,78,460
Total	10,08,223	80,04,952

Note No. 5 Other Current assets

Prepaid Expenses	9,85,587	11,97,663
Preliminary Exp.	82,400	-
Advance for Services / Goods	1,16,61,892	96,61,710
Interest accrued on Fixed Deposit	953	-
Goods & Service Tax Input Credit	53,68,615	-
Service Tax Input Credit	-	34,34,701
Vat Tax Input Credit	-	4,44,564
Total	1,80,99,447	1,47,38,637

	31st-March-2018	31st-March-2017
	Rs.	Rs.

Note No. 6 Share Capital

Authorised Share Capital

52,50,000 Equity Shares of ` 10/- each	5,25,00,000	5,25,00,000
	5,25,00,000	5,25,00,000

Issued Subscribed & fully Paid up Capital

50,50,000 (P.Y. 37,40,000) Equity Shares of ` 10/- each fully paid up	5,05,00,000	3,74,00,000
	5,05,00,000	3,74,00,000

Reconciliation of the number of Equity shares

Opening number of outstanding shares	Qty	37,40,000	-
Opening number of outstanding shares	Value	3,74,00,000	-
Shares issued,	Qty	13,10,000	37,40,000
Shares issued,	Value	1,31,00,000	3,74,00,000
shares bought back	Qty	-	-
shares bought back	Value	-	-
Closing number of outstanding shares	Qty	50,50,000	37,40,000
Closing number of outstanding shares	Value	5,05,00,000	3,74,00,000

Details of share holder holding more than 5% shares

Alankit Ltd.	No. of shares	25,75,500	
	% Holding	51.00%	
Mrs. Swati Lad	No. of shares	15,97,500	21,40,000
	% Holding	31.63%	57.22%
Mr Prashant Lad	No. of shares	5,00,000	
	% Holding	9.90%	



31st-March-2018 31st-March-2017

Rs.

Rs.

Note No. 7 Other Equity**(a) Share Application Money (Pending allotment)**

(i) Opening balance	26,00,000	-
(ii) Addition during the year	-	26,00,000
(iii) Less: Utilised for issue of bonus shares	26,00,000	-
Total	-	26,00,000

(b) Profit & Loss Account

Opening Balance	(8,00,408)	-
Add current profit	2,65,974	(8,00,408)
Less Transfers	-	-
Less Capitalisation of Losses	8,00,408	-
Closing Balance	2,65,974	(8,00,408)

Total (a+b) 2,65,974 17,99,592**Note No. 8 Other financial liability**

Unsecured Loan

From Directors (Related Party)	-	1,975
From E Solutions (Related Party)	-	-

Total - 1,975**Note No. 9 Trade payables**

For Goods	-	7,44,195
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Total - 7,44,195**Note No. 10 Current income tax liabilities (net)**

Provision for Income Tax	1,01,329	-
TDS and Advance Tax	(39,293)	(12,669)

62,036 (12,669)**Note No. 11 Other current Liabilities**

Statutory Dues	2,40,596	1,17,684
For Expenses	19,68,785	33,39,352
Salary Payable	1,31,127	-
Audit Fees Provision	10,000	30,000
Other Outstanding Expenses	4,443	-

Total 23,54,951 34,87,036**Note No. 12 Other Expenses****Direct Expenses**

Data Centre Support Charges	-	16,370
Finger Print Scanners	-	19,230

Administration & Other Expenses

Audit Fees	-	30,000
Office Expenses	-	22,604
Printing & Stationery	-	-
Registration Fees & Filing Fees	-	6,27,975
Professional & Consultancy Expenses	-	31,500
Software Amortisation Expenses	-	-
Input Credit Disallowed	-	9,723
Bank Charges & Commission	-	35,908
Communication Charges	-	15,279
Electricity Expenses	-	7,190
Exchange Loss on Translation of Foreign Currency	-	9,515
Interest on Late payment of Statutory Dues	-	66,553
Traveling & Stay Expenses	-	13,666
Other Expenses	-	77,526

Total - 9,83,039

Note No. 13 Accounting Policies & Notes to Accounts

1 Business

Verasys Technologies Private Limited is a Private Limited Company incorporated on 24th Aug, 2016 engaged in various Consumer Services needs like Digital Signature, PKI Technology which render e-enabled services to end retail customers. Verasys is under process of obtaining License to operate as a Certifying Authority under the IT Act 2000 issued by the Controller of Certifying authority , Ministry of IT, Govt of India.

2 Significant Accounting Policies

A) Basis for preparing financial statements

These financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (To the extent notified) . The Ind AS are prescribed under section 133 of the Act read with rule 3 of the companies (Indian Accounting Standard) rules 2015 and relevant amendment rules issued thereafter.

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 policies hitherto in use.

B) Revenue recognition

(i) Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. Sales are recognised net of trade discounts, rebates, sales taxes and excise duties (on goods manufactured and outsourced).

(ii) Income from export incentives such as duty drawback and premium on sale of import licenses, and lease license fee are recognised on accrual basis.

(iii) Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and is recognised net of service tax, as applicable.

(iv) Interest on investments is recognised on a time proportion basis taking into account the amounts invested and the rate of interest.

(v) Dividend income on investments is recognised when the right to receive dividend is established.

C) Expenditure

Expenses are accounted on accrual basis except the accounting of retirement and post retirement benefits which are accounted on cash basis.

D) Tangible assets

(i) Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(ii) Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the Statement of Profit and Loss.

(iii) Depreciation is provided on a pro-rata basis on the Written down value method at the rates prescribed under Schedule II to the Companies Act, 2013.

E) Intangible assets

(i) Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as finite or indefinite. Amortization methods & useful lives are reviewed periodically.

(ii) Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. The Estimated useful life of Finte-life intangibles are based on a number of factors including contracted units to be generated from the asset, eligibility to use the assets over a spcified period, effects of obsolescence, demand, competition and other economic factors.

(iii) Indefinite life intangibles are amortised on straight-line basis. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.



F) Impairment

(i) Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made.

(ii) Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment loss as an expense in the Statement of Profit and Loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

G) Inventories

Inventories are valued at the lower of cost and net realisable value as per the requirements of Ind AS- 2 "Valuation of Inventory". Cost is computed on a weighted average basis. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale. Finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

H) Trade receivables and Loans and advances

Trade receivables and Loans and advances are stated after making adequate provisions for doubtful balances.

I) Provisions and Contingent liabilities

(i) Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value. These are reviewed at each year end date and adjusted to reflect the best current estimate.

(ii) Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made .

J) Retirement/post retirement benefits

Retirement/post retirement benefits would be accounted as and when liability to pay the same is crystallised.

K) Income taxes

(i) Tax expense for the year comprises current tax and deferred tax.

(ii) Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.

(iii) Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

(iv) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.



L) Foreign currency Translations

Income

In the case of sales/services made to clients outside India income is accounted on the basis of the exchange rate prevailing on the date of the raising of the invoices. Adjustments are made for any variations in the sale proceeds on conversion into Indian currency and the same is accounted in the Profit & Loss A/c for the year as Gain/Loss on Account of Foreign Exchange fluctuation .

Expenditure

Expenditure in foreign currency is accounted at the conversion rate prevalent when such expenditure is incurred. Where realization are deposited into and disbursement made out of a foreign currency account, all transactions are recorded at the rate prevailing on the date of transactions.

Current Assets & Current Liabilities

In the case of current assets and current liabilities expressed in foreign currency the exchange rate prevalent at the end of the year is taken for the purpose of translation. Exchange differences arising on the foreign currency transactions are recognized as income or expenses in the year in which they arise.

M) Cash and cash equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, term deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

N) Earnings per share

The Company reports Earning Per Share (EPS) in accordance with IND AS - 33 on "Earning per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year.

O) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

3 Notes to Accounts

A) Dues to Micro & Small Enterprises

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 payments made during the year or brought forward from previous years.

B) Sundry Debtors

Balances of sundry debtors/creditors are subject to confirmations. Any adjustment if required would be made on receipt of such confirmations.

C) Previous year's figures have been regrouped/restated wherever necessary to conform with this year's classification. Figures have been rounded off to the nearest Rupee.

D) Auditor's Remuneration

Statutory Audit Fees	10,000	30,000
Other Services	-	-
	<u>10,000</u>	<u>30,000</u>

E) Earning Per Share

The earning per share has been calculated as specified in IND AS 33 on "Earning Per Share" and related

Particular	FY 17-18	FY 16-17
Profit after Tax	2,65,974	(8,00,408)
Number of Equity shares outstanding	50,50,000	37,40,000
Weighted Average Number of equity shares outstanding	38,29,726	9,61,935
Nominal Value of shares	10	10
Basic Earnings per share	0.07	(0.21)
Diluted Earnings per share	0.07	(0.83)



F) Related Party Disclosure

The disclosures of transactions with the related parties are given below:

Name	Relationship	Nature of Transaction	FY 17-18	FY 16-17
Swati Lad	Director	Short term Loan Received	-	1,975
Swati Lad	Director	Short term Loan Repaid Back	1,975	-
E Solution	KMP is Interested	Short term Loan Received	15,620	-
E Solution	KMP is Interested	Short term Loan Repaid Back	15,620	-
E Solution	KMP is Interested	Software Support Fees	12,00,000	-
Prashant Lad	KMP	Director Remuneration	2	-

G) Earnings in Foreign Exchange NIL NIL

H) Expenditure in Foreign Exchange

Certificate Manager Purchase	41,20,840	75,34,414
Capital Work in Progress Data Centre	8,23,476	7,34,851

I) Contingent Liabilities & Commitments

NIL *

* Gaurantee for Performance provided to "Dell International Services India Pvt Ltd" for Rs 48,00,000/-, & Letter of Credit offered for USD 10995/- to Redington Distribution Pte ltd (Singapore) secured against a lein of ICICI Bank FDR for Rs. 60,00,000/- as on 31st March 2017.

**For Krishan K. Gupta & Co.
Chartered Accountants**


K. K. Gupta
Proprietor
M. No. 8311




Ankit Agarwal
(Director)
DIN 01191951


Prashant Vasant lad
(Director)
DIN 00760815

Yash Jeet Basrar
(Director)
DIN 00112857

Place : New Delhi
Date : 18.05.2018