



KRISHAN K. GUPTA & CO.
Chartered Accountants
50th Year of Professional Commitment

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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, 2019, 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, 2019, and profit/loss, (changes in equity)ⁱ 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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)
Prop.
M. No. 8311
For and on behalf of
KRISHAN K. GUPTA & CO.
Chartered Accountants
FRN: 000009N



Place: New Delhi

Dated: May 11, 2019

“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 Pvt. Ltd. for the year ended March 31, 2019:

- 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, 2019 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)

Prop.

M. No. 8311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N



Place: New Delhi

Dated: May 11, 2019



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“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, 2019 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, 2019, 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)

Prop.

M. No. 8311

For and on behalf of

KRISHAN K. GUPTA & CO.

Chartered Accountants

FRN: 000009N



Place: New Delhi

Dated: May 11, 2019

Verasys Technologies Private Limited
Balance Sheet as on 31-March-19

	Note	31-March-19 Rs.	31-March-2018 Rs.
ASSETS			
Non-current assets			
Fixed Assets	1		
(a) Property, plant and equipments		2,37,93,244	2,48,05,667
(b) Intangible Assets		1,43,33,430	90,80,860
(c) Financial Assets			
(i) Other financial assets	2	16,33,445	25,000
Total Non-current assets		3,97,60,119	3,39,11,527
Current Assets			
(a) Inventories	17	1,82,37,815	-
(b) Financial Assets			
(i) Trade receivables	3	35,22,958	-
(ii) Cash and cash equivalents	4	1,03,94,511	10,08,223
(c) Other current assets	5	48,43,652	1,80,99,447
Total Current Assets		3,69,98,937	1,91,07,670
Total Assets		7,67,59,056	5,30,19,197
EQUITY AND LIABILITIES			
Equity			
(a) Share Capital	6	5,05,00,000	5,05,00,000
(b) Other Equity	7	57,43,518	2,65,974
Total Equity		5,62,43,518	5,07,65,974
Liabilities			
Non-current liabilities			
(a) Deferred tax liabilities (Net)	8	21,98,842	(1,63,764)
(b) Long term provisions	9	1,50,520	-
Total non-current liabilities		23,49,362	(1,63,764)
Current Liabilities			
(a) Financial liabilities			
(i) Short-term provisions	10	482	-
(ii) Trade payables	11	1,58,29,926	-
(b) Current income tax liabilities (net)	12	(8,56,598)	62,036
(c) Other current liabilities	13	31,92,366	23,54,951
Total current liabilities		1,81,66,176	24,16,987
Total Equity and Liabilities		7,67,59,056	5,30,19,197

Accounting Policies and Notes on Accounts 21

The Notes/schedules referred to above form an integral part of the financial statements.

For Krishan K. Gupta & Co.

Chartered Accountants

FRN : 000009N

K.K. Gupta
Proprietor
M.No.8311



Ankit Agarwal
(Director)
DIN : 01191951

Prashant Lad
(Director)
DIN : 00760815

Milli Mehta
(Company Secretary)

Yash Jeet Basrar
(Director)
DIN : 00112857

Place: New Delhi

Date: 11 MAY 2019

Verasys Technologies Private Limited
Statement of Profit & Loss for the year ended on 31-March-19

Note	31-March-19 Rs.	31-March-2018 Rs.
14	5,01,06,877	-
15	1,97,672	3,93,505
	5,03,04,549	3,93,505
	Expenses	
16	2,23,44,329	-
17	(1,82,37,815)	-
18	92,47,528	-
19	9,94,683	-
1	78,72,882	-
20	2,02,42,792	-
	4,24,64,399	-
	Profit before exceptional and extraordinary items and tax	78,40,150
	Exceptional items	-
	Profit before extraordinary items and tax	78,40,150
	Extraordinary Items	-
	Profit before Tax	78,40,150
	Tax Expense	
	Current Tax	15,08,445
	Mat Credit	(15,08,445)
	Deferred Tax	23,62,606
	Profit/(Loss) from the period from continuing operations	54,77,544
	Profit/(Loss) from discontinuing operations	-
	Tax expense of discounting operations	-
	Profit/(Loss) from Discontinuing operations (after tax)	-
	Profit/(Loss) for the period	54,77,544
	Earning per equity share:	
	Basic	1.08
	Diluted	1.08

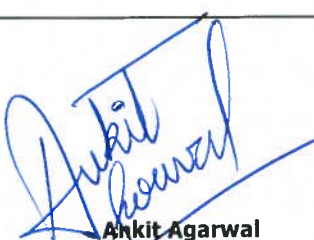
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Accounting Policies and Notes on Accounts
The Notes/schedules referred to above form an integral part of the financial statements.


For Krishan K. Gupta & Co.
Chartered Accountants
FRN : 000009N


K.K. Gupta
Proprietor
M.No.8311




Ankit Agarwal
(Director)
DIN : 01191951


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(Company Secretary)


Prashant Lad
(Director)
DIN : 00760815


Yash Jeet Basrar
(Director)
DIN : 00112857

Place: New Delhi

Date: 11 MAY 2019

Verasys Technologies Private Limited
Cash Flow Statement for the year ended on 31st-March-2019

	31st-March-2019	31st-March-2018
	Rs.	Rs.
(A) Cash Flow From Operating Activities		
Profit before tax as per profit and loss account	78,40,150	3,93,505
Adjusted for:		
Depreciation	78,72,882	-
Gratuity Expenses	1,51,002	-
Interest Income	(1,93,803)	(3,93,505)
Finance Cost	9,94,683	-
Exchange (Gain) / Loss on Conversion Current Items	-	9,515
Operating Profit before working capital Changes	1,66,64,914	9,515
Increase/(Decrease) in Trade Payable	1,58,29,926	(7,53,710)
(Decrease)/Increase in Other Current Liabilities	8,37,415	(11,32,085)
Decrease/(Increase) in Inventories	(1,82,37,815)	-
Increase/(Decrease) in Trade Receivables	(35,22,958)	-
(Increase)/Decrease in Other Current Assets	1,31,55,795	(33,60,809)
Cash Generated from Operations	2,47,27,277	(52,37,089)
Income Taxes paid	(24,27,079)	(26,624)
Net cash Flow from Operating Activities	(A) 2,23,00,198	(52,63,713)
(B) Cash Flow From Investing Activities		
Capital Work In Progress	3,38,86,527	(1,26,24,545)
Interest Income	1,93,803	3,93,505
Fixed Assets	(4,59,99,557)	-
Net cash Flow from Investing Activities	(B) (1,19,19,227)	(1,22,31,040)
(C) Cash Flow From Financing Activities		
Short term Borrowings from Directors	-	(1,975)
Proceeds from Issue of Shares	-	1,31,00,000
Share Application Money	-	(26,00,000)
Finance Cost	(9,94,683)	-
Net cash flow from Financing Activities	(C) (9,94,683)	1,04,98,025
Net increase/(decrease) in cash and cash equivalents (A+B+C)	93,86,288	(69,96,728)
Add: Cash and cash equivalents as at the beginning of the year	10,08,224	80,04,952
Cash and cash equivalents as at the end of the year	1,03,94,512	10,08,224

For Krishan K. Gupta & Co.
Chartered Accountants
FRN : 000099N

K.K. Gupta
Proprietor,
M.No.8311



(Signature)
Ankit Agarwal
(Director)
DIN : 01191951

(Signature)
Milli Mehta
Company Secretary

(Signature)
Prashant Lad
(Director)
DIN : 00760815

(Signature)
Yash Jeet Basrar
(Director)
DIN : 00112857

Plac New Delhi
Date:

11 MAY 2019

Verasys Technologies Private Limited
Notes forming part of financial statements for the year ended on 31-March-19

Note No.

1

DESCRIPTION OF THE ASSET	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 01-Apr-18 Rs.	Additions Rs.	Deductions Rs.	As on 31-Mar-19 Rs.	As on 01-Apr-18 Rs.	for the Year Rs.	As on 31-Mar-19 Rs.	As on 31-Mar-18 Rs.
Property Plant And Equipments								
Capital Work in Progress Data Centre Set up	2,48,05,667	-	(2,48,05,667)	-	-	-	-	2,48,05,667
Servers & Network	-	2,83,22,770	-	2,83,22,770	-	55,04,649	55,04,649	-
Computers & Laptops FA	-	9,89,249	-	9,89,249	-	2,58,473	2,58,473	-
Furniture & Fixture	-	1,60,043	-	1,60,043	-	24,452	24,452	-
Office Equipment	-	1,38,843	-	1,38,843	-	30,086	30,086	-
Intangible Assets								
RA Software	-	1,15,34,635	-	1,15,34,635	-	14,46,502	14,46,502	-
Computer Software FA	-	48,29,577	-	48,29,577	-	6,05,655	6,05,655	-
Trade Mark & Logo	-	24,440	-	24,440	-	3,065	3,065	-
RA software under development	90,80,860	-	(90,80,860)	-	-	-	-	90,80,860
Total	3,38,86,527	4,59,99,557	(3,38,86,527)	4,59,99,557	-	78,72,882	78,72,882	3,81,26,675
Previous year	2,04,61,574	1,34,24,953	-	3,38,86,527	-	-	-	3,38,86,527



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Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

		31-March-19 Rs.	31-March-2018 Rs.
Note No.	2	Other Non - current assets	
Deposit with Revenue Authorities		25,000	25,000
Tender Security Deposit		1,00,000	-
Mat Credit		15,08,445	-
Total		16,33,445	25,000
Note No.	3	Trade receivables	
Sundry Debtors (unsecured considered Good)			
Over Six Months		11,34,761	-
Others		23,88,197	-
Total		35,22,958	-
Note No.	4	Cash and cash equivalents	
Cash and Bank Balances			
Cash on hand	(As certified by directors)	2,217	1,034
Balance with Schedule Bank in Current account		38,57,373	2,985
In Fixed Deposit accounts with banks		65,34,921	10,04,204
Total		1,03,94,511	10,08,223
Note No.	5	Other Current assets	
Prepaid Expenses		11,25,958	9,85,587
Preliminary Expenses		2,85,138	82,400
Advance for Services / Goods		28,021	1,16,61,892
Interest Accrued on Fixed Deposit		1,17,066	953
Tax Credit RCM		4,05,986	-
GST Paid on Advances		48,767	-
Goods & Service Tax Input Credit		28,07,314	53,68,615
Others		25,402	-
Total		48,43,652	1,80,99,447



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

		31-March-19 Rs.	31-March-2018 Rs.
Note No.	6	Equity	
Authorised Share Capital			
80,00,000 Equity Shares of Rs. 10/- each			
		8,00,00,000	8,00,00,000
		8,00,00,000	8,00,00,000
Issued Subscribed & fully Paid up Capital			
50,50,000 (P.Y. 50,50,000) Equity Shares of Rs. 10/- each fully paid up			
		5,05,00,000	5,05,00,000
		5,05,00,000	5,05,00,000
Reconciliation of the number of Equity shares			
Opening number of outstanding shares	Qty	50,50,000	37,40,000
Opening number of outstanding shares	Value	5,05,00,000	3,74,00,000
Shares issued,	Qty	-	13,10,000
Shares issued,	Value	-	1,31,00,000
shares bought back	Qty	-	-
shares bought back	Value	-	-
Closing number of outstanding shares	Qty	50,50,000	50,50,000
Closing number of outstanding shares	Value	5,05,00,000	5,05,00,000
Details of share holder holding more than 5% shares			
Alankit Ltd.	No. of shares	25,75,500	25,75,500
	% Holding	51.00%	51.00%
Mrs. Swati Lad	No. of shares	15,97,500	15,97,500
	% Holding	31.63%	31.63%
Mr Prashant Lad	No. of shares	5,00,000	5,00,000
	% Holding	9.90%	9.90%
Note No.	7	Other Equity	
Profit & Loss Account			
Opening Balance		2,65,974	(8,00,408)
Add Current profit		54,77,544	2,65,974
Less Capitalisation of Losses		-	8,00,408
Closing Balance	Total	57,43,518	2,65,974



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

		31-March-19 Rs.	31-March-2018 Rs.
Note No.	8	Deferred tax liability (Net)	
Deferred Tax Assets			
	Preliminary Expenses	(1,63,764)	(1,63,764)
	Gratuity	(39,261)	-
	Total (A)	(2,03,025)	(1,63,764)
Deferred Tax Liability			
	Depreciation & Amortisation	24,01,867	-
	Total (B)	24,01,867	-
	Net Deferred Tax Liability / (Assets)	Total 21,98,842	(1,63,764)
Note No.	9	Long-term provisions	
	Provision for Gratuity	1,50,520	-
	Total	1,50,520	-
Note No.	10	Short-term provisions	
	Provision for Gratuity	482	-
	Total	482	-
Note No.	11	Trade payables	
	For Goods	1,58,29,926	-
	Total	1,58,29,926	-
Note No.	12	Current income tax liabilities (net)	
	Provision for Income Tax	15,08,445	1,01,329
	TDS and Advance Tax	(23,65,043)	(39,293)
	Total	(8,56,598)	62,036
Note No.	13	Other current Liabilities	
	Statutory Dues	15,14,093	2,40,596
	Advance against Sales	4,78,597	-
	Salary / Director Remuneration Payable	11,63,106	1,31,127
	Expenses payable	16,570	19,73,228
	Audit Fees Payable	20,000	10,000
	Total	31,92,366	23,54,951



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

		31-March-19	31-March-2018
		Rs.	Rs.
Note No.	14	Revenue from operations Gross	
DSC Facilation Charges (Income)		4,65,54,861	-
DSC + USB Token		15,68,477	-
Priority Document Handeling Charges		8,10,000	-
Sale Of Token		11,08,439	-
Self Serve Income		65,100	-
Total		5,01,06,877	-
Note No.	15	Other Income	
Interest Income		1,93,803	3,93,505
Misc. Income		3,869	-
Total		1,97,672	3,93,505
Note No.	16	Purchase of stock-in-Trade	
Comodo Certificate		12,288	-
Purchase of Epass2003auto USB Token		15,09,932	-
Purchase of M - Token		2,05,899	-
Proxkey USB Token		5,314	-
Purchase		2,05,49,894	-
SSL Certificate		2,750	-
Trust Key USB Token		31,703	-
Watchdat USB Token		26,549	-
Total		2,23,44,329	-
Note No.	17	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	
Opening Stock		-	-
Closing Stock		(1,82,37,815)	-
Total		(1,82,37,815)	-
Note No.	18	Employees Benefit expense	
Wages and Salaries		69,64,756	-
Director Remuneration		12,00,000	-
Bonus		3,89,000	-
Incentive		16,441	-
Stipend		1,33,015	-
Contribution to Provident fund & Insurance		2,86,196	-
Staff Welfare Expenses		1,07,118	-
Gratuity Expenses		1,51,002	-
Total		92,47,528	-



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

Note No.	19	Finance costs		
Bank Charges			14,037	-
Commission on Bank Guarantee			6,33,600	-
Interest on Loan			3,47,046	-
Total			9,94,683	-

Note No.	20	Other Expenses	31-March-19 Rs.	31-March-2018 Rs.
Other Direct Expenses				
Data centre Charges			9,74,488	-
Data Centre Support Charges			2,48,611	-
PAN Verification Charges			67,921	-
Administration & Other Expenses				
Background Check Employees			6,300	-
Bill Desk Collection Charges			32,462	-
Bulk Push SMS/Email			85,096	-
Certification Charges			42,941	-
Conveyance			1,13,812	-
Courier Charges			1,43,248	-
Electrical Expenses			1,78,460	-
Exchange Gain Loss / (Profit)			85,464	-
Legal Expenditure Expenses			96,500	-
Membership & Subscription			80,874	-
Office Expenses			1,62,203	-
Printing & Stationery			1,56,919	-
Professional Fees			13,15,526	-
Recruitment Charges			14,091	-
Rent Paid			12,00,000	-
Scanning Charges			57,822	-
Software Licenses Amortisation			39,727	-
Repair & Maitenance			1,68,568	-
Telephone & Internet Charges			1,85,101	-
Travelling & Stay Expenses			8,31,949	-
Other Expenses			2,74,158	-
Sales & Marketing Expenses				
Advertisement Expenses			24,371	-
Sales Promotion Expenses			1,32,30,105	-
Business Promotion			1,40,075	-
Tender Fees			5,000	-
System Audit Fees			2,61,000	-
Statutory Audit Fees			10,000	-
Tax Audit Fees			10,000	-
Total			2,02,42,792	-



Note No. 21 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 Finite-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 specified 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.



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

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.



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

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) 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.

C) Auditor's Remuneration

Statutory & Tax Audit Fees

	20,000	10,000
	<u>20,000</u>	<u>10,000</u>

D) Earning Per Share

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

Particulars	FY 18-19	FY 17-18
Profit after Tax	54,77,544	2,65,974
Number of Equity shares outstanding	50,50,000	37,40,000
Weighted Average Number of equity shares outstanding	50,50,000	38,29,726
Nominal Value of shares	10	10
Basic Earnings per share	1.08	0.07
Diluted Earnings per share	1.08	0.07

E) Related Party Disclosure

Key Management Personnel	Director	Ankit Agarwal
	Director	Prashant Lad
	Director	Swati Lad
	Director	Yash Jeet Basrar

Holding Company	Alankit Limited
Fellow Subsidiary	Euro Global Brokers Limited
	Europus Financial Services Limited
	Alankit Technologies Limited
	Alankit Forex India Limited

F) Transactions with Related Parties

Particulars	Holding Company		Fellow Subsidiaries		Enterprises over which there is significant influence	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Loan from Directors						
Opening Balance	-	-	-	-	-	17,595
Taken during the year	-	-	-	-	81,00,000	-
Interest on Loan	-	-	-	-	3,47,046	-
Repaid during the year	-	-	-	-	84,47,046	17,595
Closing Balance	-	-	-	-	-	-
Sundry Creditors						
Opening Balance	-	-	-	-	-	-
Purchases/Service during the year	19,400	-	-	-	1,79,87,908	12,00,002
Reimbursement of Expenses	30,66,158	-	-	-	6,98,679	-
Payment done/adjusted	30,85,558	-	-	-	61,01,587	12,00,002
Closing Balance	-	-	-	-	1,25,85,000	-
Sundry Debtors						
Opening Balance	-	-	-	-	-	-
Sales/Service during the year	22,98,015	-	-	-	-	-
Payment received/adjusted	2,36,339	-	-	-	-	-
Closing Balance	20,61,676	-	-	-	-	-
Expenditures						
Purchases/Services During the year	16,441	-	-	-	1,47,57,138	12,00,000
Director Remuneration	-	-	-	-	12,00,000	2
Income						
Sales/Services During the year	19,47,470	-	-	-	-	-

Only those related party have been disclosed with whom there were related party transaction during the year.



Verasys Technologies Private Limited

Notes forming part of financial statements for the year ended on 31-March-19

G) Earnings in Foreign Exchange	NIL	NIL
H) Expenditure in Foreign Exchange		
Certificate Manager Purchase	1,00,19,504	41,20,840
Capital Work in Progress Data Centre	-	8,23,476

I) Contingent Liabilities & Commitments

* Bank guarantee of Rs.1 Crore given to Department of Information Technologies, Ministry of Communication and Information Tehvlogy, Government of India, Electronics Niketan, 6 CGO Complex, Lodhi Road, New Delhi 110003 (previous year-Nil).

For Krishan K. Gupta & Co.

Chartered Accountants

FRN : 000009N


K.K. Gupta
Proprietor
M.No.8311



Place : New Delhi

Date:

11 MAY 2019


Ankit Agarwal
(Director)
DIN 01191951


Milli Mehta
(Company Secretary)


Prashant Vasant Iad
(Director)
DIN 00760815


Yash Jeet Basrar
(Director)
DIN 00112857