

S A Tech Software India Private Limited

**Audited Financial Statements For the
Year ended on 31st March 2019**

Katariya & Munot

Chartered Accountants

105-106, B-III, Lloyds Chambers Mangalwar Peth, Maldhakka Chowk, Pune - 411 011
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To

The Members Of

S A Tech Software India Private Limited

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of S A Tech Software India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and gives true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 financial statements.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have no key matters to be communicated in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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 during the course of our 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 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 AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting



records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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. The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 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 based on these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 financial controls 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements. 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.

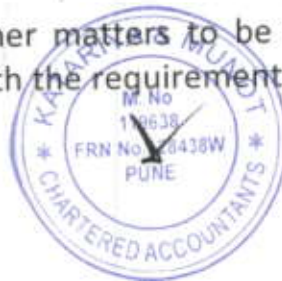
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or



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

- 1) As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For and on Behalf of

Katariya & Munot

Erstwhile PCK & Associates

Chartered Accountants

Firm Registration number: 128438W


Poonam Katariya

Partner

Membership number: 119638

Date: 8th September 2019

Place: Pune

UDIN: 19119638AAAAEH3577



Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of S A Tech Software India Private Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **S A Tech Software India Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and 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 internal financial controls system over financial reporting of the Company.

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.

Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the



risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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.

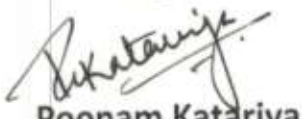
For and on Behalf of

Katariya & Munot

Erstwhile PCK & Associates

Chartered Accountants

Firm Registration number: 128438W



Poonam Katariya

Partner

Membership number: 119638

Date: 8th September 2019

Place: Pune



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of S A Tech Software India Private Limited of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings (including land whose title deed have been pledged as security against debentures issued by the Company), are held in the name of the Company as at the balance sheet date.
- (ii) The company is a service oriented company, accordingly there is no inventory which can be verified, and accordingly in our opinion clause Paragraphs 3(ii) of the order is not applicable to the company.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, accordingly clause (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.



- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence reporting under clause (v) of the Order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the maintenance of cost records specified by the Central Government under section 148(1) of the Companies Act, 2013 is not applicable to the company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is 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 other material statutory dues as applicable with the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess and other statutory dues outstanding as at March 31, 2019 for a period of more than six months from the date they became payable except:

Name of Statute	Month	Due date of Payment	Date of Payment	Amount Rs.
Goods and Service Tax, 2016	Nov-2018	20/12/18	01/07/19	39,63,907
	Dec-2018	20/01/19	31/07/19	24,55,166
	Jan-2019	20/02/19		19,94,924
	Feb-2019	20/03/19		15,19,567

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues on account of dispute of income-tax, sales-tax, service tax, duty of custom, duty of excise or value added tax as at March 31, 2019.



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and money raised by way of the term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the provisions of section 197 read with Schedule V to the Companies Act, 2013 is not applicable to the company and accordingly Company clause (xi) of the Order is not applicable to the company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.



- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Katariya & Munot
(Erstwhile PCK & Associates)
Chartered Accountants
FRN: 128438W



Poonam Katariya

Partner

Membership number: 119638

Place: Pune

Date: 8th September 2019



Balance Sheet as on 31st March 2019

Particulars	Notes	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	42,98,110	42,98,110
(b) Reserves and Surplus	4	9,43,65,913	8,63,53,626
(2) Share application money pending allotment		130	130
		9,86,64,153	9,06,51,866
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	7,01,99,574	7,11,69,565
(b) Deferred tax liabilities (Net)	6	2,88,868	77,966
(c) Other Long term liabilities			-
		7,04,88,442	7,12,47,531
(4) Current Liabilities			
(a) Short-term borrowings	7	3,48,20,140	1,00,48,123
(b) Trade payables	8	48,71,142	47,29,231
(c) Other current liabilities	9	4,08,94,167	4,41,38,581
(d) Short-term provisions	10	2,62,57,815	60,17,001
		10,68,43,264	6,49,32,936
Total		27,59,95,859	22,68,32,333
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	8,55,29,748	8,86,02,843
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		45,37,095	-
(b) Non-Current Investments	12	26,24,871	26,24,871
(c) Long Term Loans & Advances		-	-
(d) Other Non-Current Assets		-	-
		9,26,91,714	9,12,27,714
(2) Current assets			
(a) Inventories	13	9,50,98,031	7,61,33,072
(b) Trade receivables	14	1,50,48,877	15,97,034
(c) Cash and Bank balances	15	4,53,52,058	4,22,09,637
(d) Short-term loans and advances	16	2,78,05,179	1,56,64,876
(e) Other current assets			
		18,33,04,145	13,56,04,619
Total		27,59,95,859	22,68,32,333

Notes to Accounts and Significant Accounting Policies

The Schedules referred to above and the notes form an integral part of the Balance Sheet
This is the Balance Sheet referred to in our report of even date.


For M/s Katariya & Munot

(Erstwhile P C K & Associates)

Chartered Accountants


 Poonam Katariya
 Partner
 M.No.119638
 Firm Registration No. 128438W
 Date: 8th September 2019
 Place: Pune

For and on behalf of the Board of Directors


 Bhavin Goda
 Director
 DIN: 02673636


 Bhavika Goda
 Director
 DIN: 07051307

S A Tech Software India Private Limited

CIN: U72900PN2012FTC145261

Profit & Loss Statement for the year ended 31st March 2019

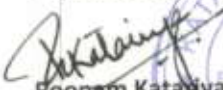
Particulars	Notes	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
I. Revenue from Operations	17	36,57,55,739	31,25,89,721
II. Other Income	18	14,95,647	52,78,534
III. Total Revenue (I +II)		36,72,51,387	31,78,68,255
IV. Expenses:			
Cost of materials consumed		-	-
(Increase)/Decrease in Stock of Finished Goods/WIP		-	-
Employee Benefit Expense	19	28,85,11,066	26,75,62,686
Financial costs	20	1,21,49,654	36,78,965
Depreciation and amortization expense	21	46,86,477	48,88,979
Other expenses	22	5,02,21,787	3,56,31,425
V. Total Expenses		35,55,68,985	31,17,62,055
VI. Profit before tax (V-III)		1,16,82,402	61,06,200
VII. Tax expense:			
(1) Current tax		34,59,212	13,23,833
(2) Deferred tax		2,10,902	15,80,861
VIII. Profit/(Loss) for the period (VI + VII)		80,12,287	32,01,506
IX. Earning per equity share:			
(1) Basic	26	45.06	18.00
(2) Diluted		-	-

Notes to Accounts and Significant Accounting Policies

The Schedules referred to above and the notes form an integral part of the Profit & Loss

This is the Profit & Loss referred to in our report of even date.

For M/s Katariya & Munot
(Erstwhile P C K & Associates)
Chartered Accountants


Poonam Katariya
Partner
M.No.119638
Firm Registration No. 128438W
Date: 8th September 2019
Place: Pune

For and on behalf of the Board of Directors


Bhavin Goda
Director
DIN: 02673636

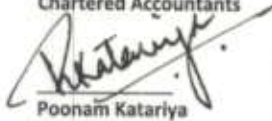

Bhavika Goda
Director
DIN: 07051307

S A Tech Software India Private Limited
CIN: U72900PN2012FTC145261
Cash Flow Statement for the year ended 31st March 2019

Sr. No.	Particulars	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
A.	Cash flow from operating activities		
	Net profit / (loss) for the Period	80,12,287	32,01,506
	Adjusted for		
	Deferred Tax Liability	2,10,902	15,80,861
	Depreciation, amortisation and impairment	46,86,477	48,88,979
	Operating profit before working capital changes	1,29,09,667	96,71,346
	Changes in		
	(Increase)/decrease in sundry debtors	(1,89,64,959)	(4,91,82,046)
	(Increase)/decrease in loans and advances	(31,42,421)	(59,70,072)
	(Increase)/decrease in Current Assets	(1,21,40,303)	(2,22,27,139)
	Increase/(decrease) in current liabilities & provisions	4,19,10,328	39,32,505
	Cash generated from operations	2,05,72,312	(6,37,75,406)
	NET CASH FROM OPERATING ACTIVITIES	2,05,72,312	(6,37,75,406)
B.	Cash flow from investing activities		
	Purchase of fixed assets and intangibles	(61,50,477)	(1,14,71,341)
	Investments	-	1,56,77,179
	NET CASH USED IN INVESTING ACTIVITIES	(61,50,477)	42,05,838
C.	Cash flow from financing activities		
	Proceeds from Profit and Loss Appropriation Accounts	-	-
	Proceeds from Loans (Secured & Unsecured)	(9,69,992)	5,33,60,716
	NET CASH FROM FINANCING ACTIVITIES	(9,69,992)	5,33,60,716
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	1,34,51,844	(62,08,852)
	Opening Balance of Cash or Cash equivalent	15,97,034	78,05,885
	Cash and cash equivalents at the end of the period (Refer Notes 13)	1,50,48,878	15,97,034
	The notes referred to above form an integral part of the Cash flow statement.		

Notes to Accounts and Significant Accounting Policies
The Schedules referred to above and the notes form an integral part of the Cash Flow Statement
This is the Cash Flow Statement referred to in my report of even date.

For M/s Katariya & Munot
(Erstwhile P C K & Associates)
Chartered Accountants



Poonam Katariya
Partner
M.No.119638
Firm Registration No. 128438W
Date: 8th September 2019
Place: Pune



For and on behalf of the Board of
Directors


Bhavin Goda
Director
DIN: 02673636


Bhavika Goda
Director
DIN: 07051307

Notes to the financial statements**1 General Information :**

S A Tech Software India Private Limited is engaged in business of software development and information technology enabled services. The Company has its development centre at Pune.

2 Summary of Significant Accounting Policies :**2.1 Basis of preparation of financial statements -**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. Further the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also considered wherever applicable. The Company maintains its accounts on accrual basis following the historical cost convention.

The preparation of financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that affect the income and expense reported for the period and assets and liabilities reported as of the date of the financial statements. Examples of such estimates include the useful lives of the fixed assets, provision for doubtful debts, future obligations in respect of retirement benefit plans, etc. Actual results could vary from these estimates.

Presentation of financial statements

The balance sheet and the statement of profit and loss are prepared and presented in the format prescribed in the schedule III to the Companies Act, 2013.

The cash flow statement has been prepared and presented as per the requirements of Accounting Standard (AS) 3 "Cash Flow Statements". The disclosure requirements with respect to items in the balance sheet and statement of profit and loss, as prescribed in the schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standards.

2.2 Tangible Assets -

Tangible Assets are stated at cost of acquisition (net of Cenvat and VAT Credit availed) less accumulated depreciation and impairment loss if any, except for free hold land which is carried at revalued amount based on the report from Government approved valuer.

Subsequent expenditures related to an item of fixed 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

Gains and Losses arising from disposal of the fixed assets which are carried at cost are recognised in the Statement of Profit & Loss.

Individual assets valuing for less than Rs.5,000/- are entirely depreciated in the year of acquisition.

2.3 Depreciation -

Depreciation on Fixed Assets is provided on Written Down Value Basis over the useful life of assets estimated by Management. Individual low cost assets acquired for less than Rs.5,000/- are entirely depreciated in the year of acquisition. Intangible assets are amortized over their respective individual estimated lives on Written Down Value Basis, commencing from the date the asset is available to the Company for its use.



Notes to the financial statements**2.4 Revenue Recognition -**

Revenue from software development and support services comprises of income from time and material and fixed price contracts. Revenue with respect to time and material contracts is recognized as and when related services are performed. Revenue from fixed price contract is recognized in accordance with the percentage of completion method.

2.5 Foreign Currency Transactions -**Recording:-**

Transactions in foreign currency are recorded at original rates of exchanges in force at the time when the transactions are effected.

Realization / Payment:-

Exchange differences arising on realization / payment of foreign exchange during the year are accounted in the relevant year as income or expense.

2.6 Leases -

Where the Company is the Lessee: Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss Account on a straight-line basis over the lease term.

2.7 Related Party Transactions -

Related parties under the Accounting Standard 24 issued by Ministry of Corporate Affairs have been identified on the basis of representations made by key managerial personnel and Information available with the Company.

2.8 Earnings per share -

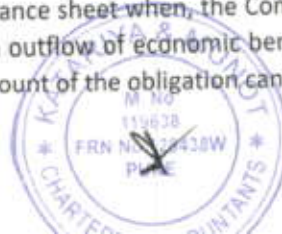
Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period for all periods presented is adjusted for events, such as bonus shares, other than conversion of potential equity shares, that have changed the number of equity shares outstanding, without corresponding change in the resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.9 Taxes on Income -

Income-tax comprises of current tax and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Deferred tax assets are recognised only to the extent there is reasonable certainty that they will be realised in future; however, where there is unabsorbed depreciation and carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

2.10 Provisions -

Provision is recognized in the Balance sheet when, the Company has a present obligation 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 of the amount of the obligation can be made.



Notes to the financial statements**2.11 Cash and Cash Equivalents -**

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

2.12 Employee Benefits

Employee Benefits such as Salaries, allowances, non monetary benefits are debited to Profit and Loss account.

Provident fund: The eligible employees of the Company are entitled to receive the benefits of Provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently at 12% of the basic salary) which are charged to the Statement of Profit and Loss on accrual basis. The provident fund contributions are paid to the Regional Provident Fund Commissioner by the Company.

2.13 Cash flow statement

Cash flow statement is prepared segregating the cash flows from operating, investing and financing activities. Cash flow from operating activities is reported using indirect method.

Under the indirect method, the net profit is adjusted for the effects of:

- i. transactions of a non-cash nature
- ii. any deferrals or accruals of past or future operating cash receipts or payments and
- iii. items of income or expense associated with investing or financing cash flows.

Cash and cash equivalents (including bank balances) are reflected as such in the cash flow statement.



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S A Tech Software India Private Limited

CIN: U72900PN2012FTC145261

Notes to the financial statements

3 Share Capital

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Authorised Share Capital		
40,00,000 Equity Shares of Rs. 10 each (40,00,000 Equity Shares of Rs. 10 each)	4,00,00,000	4,00,00,000
Issued		
429,811 Equity Shares of Rs. 10 each fully paid (Previous Year - 10,000 Equity Shares of Rs. 10 each fully paid)	42,98,110	42,98,110
Subscribed & Paid up Share Capital		
429,811 Equity Shares of Rs. 10 each fully paid (Previous Year - 10,000 Equity Shares of Rs. 10 each fully paid)	42,98,110	42,98,110
Total	42,98,110	42,98,110

3a Reconciliation of number of shares Equity Shares

	31-Mar-19		31-Mar-18	
	No. of Shares	Amount Rupees	No. of Shares	Amount Rupees
Balance at the beginning of the year	4,29,811	42,98,110	4,29,811	42,98,110
Add: Shares issued during the year	-	-	-	-
Balance at the end of the year	4,29,811	42,98,110	4,29,811	42,98,110

Out of the above, 408,315 shares are issued to the Holding Company of Rs. 10 each fully paid up

The company has only one class of share having par value of Rs 10. Each holder of equity share is entitled to one vote per share.

3b Details of shares held by shareholders holding more than 5% of the aggregate shares In company

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Equity Shares		
SA Technologies Inc. (USA)	42,98,110 (99.99%)	42,98,110 (99.99%)

4 Reserves and Surplus

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Securities Premium Account		
Balance at the beginning of the year	3,40,36,275	3,40,36,275
Add: Additions During Year	-	-
Balance at the end of the year	3,40,36,275	3,40,36,275
Profit & Loss Account		
Balance at the beginning of the year	5,23,17,351	4,91,61,845
Add: Surplus for the period	80,12,287	32,01,506
Less: Short Provision of Income Tax for previous year	-	(46,000)
Balance at the end of the year	6,03,29,638	5,23,17,351
Total	9,43,65,913	8,63,53,626





S A Tech Software India Private Limited

CIN: U72900PN2012FTC145261

Notes to the financial statements

5 Long-term borrowings

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Federal Bank- FCTL - 0042 (Repayble in equated monthly installment of USD 4347 and last installment is due in Nov-20)	60,26,366	-
Federal Bank - FCTL - 0018 (Repayble in equated monthly installment of USD 2405 and last installment is due in Aug-21)	48,24,032	-
Federal Bank - FCTL - 0026 (Repayble in equated monthly installment of USD 3038 and last installment is due in Jan-25)	1,47,08,737	-
Federal Bank - WCTL - 0213 (Repayble in equated monthly installment of Rs.142,857 and last installment is due in Jun-21)	38,57,143	-
Federal Bank Home Loan - 0685 (Repayble in equated monthly installment of Rs.274,000 and last installment is due in Jul-33)	2,70,65,296	-
(All above loans are against exclusive Charge on Book Debts ,Office No.203 & 204,2nd Floor,at World Trade Center Tower-1,Kharadi,Pune-1, Flat No 6804, Lodha Allura, Senapati Bapat Roa, Lower Parel, Mumbai and Personal Guarantee of Mr.Bhavin Goda and Ms. Bhavika Goda)		
RBL FCTL# 809001367088 (Repayble in equated monthly installment of USD 4374 and last installment is due in Mar-21)	-	85,96,941
RBL FCTL#809000831115 (Repayble in equated monthly installment of USD 2412 and last installment is due in Mar-20)	-	66,49,739
RBL FCTL#809001493237 (Repayble in equated monthly installment of USD 3000 and last installment is due in Mar-25)	-	1,53,14,309
(Exclusive Charge on Book Debts ,Office No.203 & 204,2nd Floor,at World Trade Center Tower-1,Kharadi,Pune-1 and Personal Guarantee of Mr.Bhavin Goda and Bhavika Goda and last installment is due in Mar-2021)		
ICICI Home Loan (Flat No 6804, Lodha Allura, Lower Parel, Mumbai and last installment is due in Jan-2033)	-	2,78,90,577
Unsecured Loans repayable on demand :		
SA Technologies Inc Unsecured ECB Loan	1,27,18,000	1,27,18,000
From Director- Bhavin Goda	10,00,000	-
Total	7,01,99,574	7,11,69,565

6 Deferred Tax Liability

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Depreciation	2,88,868	77,966
Other Timing Difference	-	-
Total	2,88,868	77,966

7 Short-term borrowings

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Secured Loans		1,00,46,709
Ratnakar Bank CC Account (Ratnakar Bank Cash Credit Facility is secured Against Book Debts, Current Assets, Movable Fixed Assets and Personal Guarantee of directors and Owner Property)	-	-
Federal Bank CC (1819550000367) (Exclusive Charge on Book Debts ,Office No.203 & 204,2nd Floor,at World Trade Center Tower-1,Kharadi,Pune-1, Flat 6804, Lodha Allura Senapati Bapat Marg, Mumbai and Personal Guarantee of Mr.Bhavin Goda and Ms. Bhavika Goda.)	3,47,00,588	-
Unsecured Loans		
Indus Credit card (Credit card balance is repayble on demand.)	1,19,552	1,414
Total	3,48,20,140	1,00,48,123

8 Trade Payables

	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Unsecured, Considered Good		
Sundry Creditors	48,71,142	47,29,231
Total	48,71,142	47,29,231



Notes to the financial statements

Amount in Rs.

11) Tangible Assets and Intangible Assets

Particulars	Gross Block			Depreciation			Net Block		
	Upto 01-Apr-18	Additions during the year	Deletions during the year	As at 31-Mar-19	Upto 01-Apr-18	During the year	Total upto 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
A. Tangible Assets									
Flat Purchase	4,27,82,206	-	-	4,27,82,206	-	-	-	4,27,82,206	4,27,82,206
Computers	62,95,655	15,11,882		78,07,537	53,27,147	8,74,965	62,02,112	16,05,425	9,68,508
Furniture & Fixtures	1,10,45,122	1,01,500		1,11,46,622	61,53,001	12,94,718	74,47,719	36,98,903	48,92,121
Office	3,97,87,985	-		3,97,87,985	29,52,479	17,90,398	47,42,877	3,50,45,108	3,68,35,506
Plant & Machinery	40,36,537	-		40,36,537	16,65,235	4,30,185	20,95,420	19,41,117	23,71,302
Software	16,10,911	-		16,10,911	14,01,282	1,25,579	15,26,861	84,050	2,09,629
Car	13,50,000	-		13,50,000	8,06,429	1,70,632	9,77,061	3,72,939	5,43,571
Total	10,69,08,416	16,13,382	-	10,85,21,798	1,83,05,573	46,86,477	2,29,92,050	8,55,29,748	8,86,02,843
<i>Previous Year</i>	<i>7,53,97,299</i>	<i>3,15,11,117</i>	<i>-</i>	<i>10,69,08,416</i>	<i>1,34,16,594</i>	<i>48,88,979</i>	<i>1,83,05,573</i>	<i>8,86,02,843</i>	<i>6,19,80,705</i>

**All Movable and Immovable Assets are hypothecated/mortgaged against Credit Facility provided by Federal Bank





S A Tech Software India Private Limited

CIN: U72900PN2013FTC145261

Notes to the financial statements

9 Other Current Liabilities	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
TDS Payable	62,90,639	32,28,083
Labour Welfare Fund	6,962	5,568
Profession Tax Payable	78,575	10,187
Service Tax Payable	-	62,14,420
GST Payable	1,74,39,716	1,80,55,351
Gratuity Payable	57,76,769	50,95,000
Advance from Customer	90,66,178	90,66,178
Rent Deposit	8,38,512	9,15,900
ESIC Payable	32,097	-
Provident Fund Payable	13,64,719	15,47,894
Total	4,08,94,167	4,41,38,581
10 Short Term Provisions	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Provision for Audit Fees	6,00,000	3,00,000
Provision for Taxation	34,59,212	13,23,833
Provision for Interest	15,51,042	6,89,467
Provision for Expenses	88,648	21,56,348
Provision for Salary	2,05,58,913	15,47,353
Total	2,62,57,815	60,17,001
12 Non-Current Investments	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Fixed Deposits	26,24,871	26,24,871
Total	26,24,871	26,24,871
13 Trade Receivables	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Unsecured, Considered Good	6,46,36,709	5,54,72,335
Sundry Debtors - Export	3,04,61,322	2,06,60,736
Sundry Debtors - Domestic	9,50,98,031	7,61,33,072
Total	9,50,98,031	7,61,33,072
14 Cash and Bank Balances	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Cash and Cash Equivalents	5,00,000	-
Cash in hand	-	-
Bank Balances- In Current Accounts	1,31,68,102	9,02,546
- ICICI Bank Limited	91,837	6,16,258
- Ratnakar Bank	7,74,032	78,230
- Yes Bank	3,13,004	-
- DBS Current Account	1,07,278	-
- Federal Bank	94,623	-
- Federal Bank - EEFC	-	-
Sub Total	1,45,48,877	15,97,034
Total	1,50,48,877	15,97,034
15 Short Term Loans & Advances	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Unsecured, considered good	2,91,150	2,91,150
Corpus Deposit WTC	87,084	62,059
Telephone Jio/Internet SVCL Deposit	57,29,320	60,24,240
Rent Deposit	1,67,39,760	1,40,01,570
Income Tax Refund	26,83,979	29,25,302
Cash Advances to Employees	3,88,200	3,88,200
MSEB Deposit	2,98,737	1,13,872
Interest Receivable	1,27,73,915	1,80,85,053
TDS Receivable	39,08,404	-
Other Advances	24,51,509	3,18,191
Prepaid Expenses	4,53,52,058	4,22,09,637
Total	4,53,52,058	4,22,09,637





S A Tech Software India Private Limited

CIN: U72900PN2012PTC145261

Notes to the financial statements

16 Other Current Assets	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Work in progress	2,78,05,179	1,56,64,876
Total	2,78,05,179	1,56,64,876
17 Revenue From Operations	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Sale of Services		
Services - Export	9,35,19,710	8,71,17,042
Services - Domestic	27,22,36,029	22,54,72,678
Total	36,57,55,739	31,25,89,721
18 Other Income	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Dividend	-	38,212
Long Term Capital Gains /(Loss)	-	21,60,332
Foreign Exchange Gains (Loss)	-	21,34,849
Interest on IT Refund	11,90,130	8,19,698
Interest on FD	2,05,406	-
Miscellaneous Income	1,00,111	42,493
Rent Received on Sub-Leased	-	82,950
Total	14,95,647	52,78,534
19 Employee Benefits Expenses	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Salaries, Incentives & Contracting Manpower	26,16,04,451	24,26,18,717
Bonus Paid	99,29,452	34,96,351
Meals & Entertainment Expenses	9,19,581	9,99,629
Labour Welfare Expenses	28,152	23,268
Professional Tax paid	-	65,578
Recruitment Expenses	11,95,665	25,13,480
Employers Contribution to Provident Fund	94,89,358	82,84,029
Gratuity	11,25,900	50,95,000
Staff Welfare/Meals & Insurance	17,99,642	23,04,957
Intern Stipend	14,04,815	12,79,187
ESIC Employer Contribution	10,14,050	8,82,490
Total	28,85,11,066	26,75,62,686
20 Financial costs	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Interest on Bank Loan/Overdraft	84,57,000	26,64,687
Interest on ECB Loan	8,61,575	10,09,758
Interest and Penalty for TDS/GST/Service Tax	28,31,080	4,520
Total	1,21,49,654	36,78,965
21 Depreciation & Amortization Expense	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Depreciation on Tangible Assets	46,86,477	48,88,979
Amortization on Intangible Assets	-	-
Total	46,86,477	48,88,979





S A Tech Software India Private Limited

CIN: U72900PN2012PTC145261

Notes to the financial statements

22 Other Expenses	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Audit Fees	3,00,000	2,46,000
Brokerage Expenses	96,000	75,000
Business Promotion	4,83,300	-
Computer and Internet Expenses	13,44,406	14,02,314
Courier Expenses	1,03,265	1,13,575
Donation	25,000	25,000
Dues and Subscriptions	-	72,800
Electricity Expenses	13,27,514	20,41,016
Foreign Exchange Loss	38,10,760	-
Hotel Expenses	2,17,493	4,52,540
Insurance Expenses	54,493	16,92,545
Legal & Professional Fees	2,30,07,964	1,35,07,574
Office Expenses	29,34,983	21,53,691
Office Maintenance	17,42,159	10,09,831
Printing & Stationery	83,389	3,64,506
Rate and Tax Paid	1,70,257	93,071
Rent	1,01,82,990	1,10,52,527
Repairs & Maintenance	3,46,893	1,98,068
Telephone Expenses	1,51,559	6,50,110
Travelling Expenses	38,39,361	4,81,257
Total	5,02,21,787	3,56,31,425
23 Earnings & Expenditure in foreign currency	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Revenue from Exports	9,35,19,710	8,71,17,042
Expenditure in Foreign Currency	8,61,575	10,09,758
24 Remuneration to Auditors	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
Audit Fees including Tax Audit Fees	3,00,000	2,46,000
Total	3,00,000	2,46,000
25 Related Party Disclosures		
25a Names of the related parties and Nature of relationship		
i Holding Company	S A Technologies Inc. (USA)	
ii Key Management Personnel	Mr. Bhavin Goda Mr. Bhavika Goda	
iii Associate Company	Opalforce Software India Private Limited Opalforce Inc (USA)	
25b Director's Remuneration	31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
i Key Management Personnel		
Salaries & Incentive		
Bhavin Goda	10,02,000	11,05,200
Bhavika Goda	6,08,000	7,20,000
Loan From Director		
Bhavin Goda	10,00,000	-
25c Transactions/Balances	Holding Company/Associate Company 31-Mar-19 (Rupees)	31-Mar-18 (Rupees)
i Holding Company		
ECB Loan	1,27,18,000	1,27,18,000
Interest on ECB Loan	8,61,575	10,09,758
Trade Receivables - S A Technologies Inc.	3,69,64,215	3,74,68,679
Sales	USD 960,000 6,85,73,267	8,43,14,404





S A Tech Software India Private Limited

CIN: U72900PN2012PTC345261

Notes to the financial statements

	Holding Company/Associate Company	
	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
ii Associate Company		
Opalforce Software India Private Limited: Advance Received	79,00,000	79,00,000
Opalforce Inc: Sales		

26 Earnings per share	31-Mar-19	31-Mar-18
	(Rupees)	(Rupees)
Net profit as per Statement of Profit and Loss attributable to Equity Shareholders	80,12,287	32,01,506
Total number of equity shares	4,29,811	4,29,811
Weighted average number of equity shares	1,77,812	1,77,812
Basic and diluted earnings per share	45.06	18.00

27 Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED Act')

The Company has not received any intimation from 'Suppliers' regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (the 'MSMED Act') and hence the disclosure requirement in this regard as per Schedule III of the Companies Act, 2013 could not be provided.

28 Previous Year Figures

The financial statements for the year ended March 31, 2019 & March 2018 had been prepared as per Revised Schedule III under the Companies Act 2013. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

As per our attached Report of even date

For M/s Katariya & Munot
(Erstwhile P C K & Associates)

Chartered Accountants

Poonam Katariya

Partner

M.No.119638

Firm Registration No. 128438W

Date: 8th September 2019

Place: Pune



For S A Tech Software India Private Limited


Bhavin Goda
Director
DIN: 02673636


Bhavika Goda
Director
DIN: 07051307

