

Annexure B

The Standalone financial details of Companies for the previous 3 years as per the Audited Statement of Accounts:

Name of the Company: **PayNX Technologies Private Limited**

(Rs. in Crores except for EPS and Book Value)

Particulars	As per last Audited Financials Year (01.04.2021-31.03.2022)	As per last Audited Financial Year (01.04.2020-31.03.2021)	1 year prior to the last Audited Financial Year (01.04.2019-31.03.2020)	2 years prior to the last Audited Financial Year (01.04.2018-31.03.2019)
Equity Paid up Capital	0.01	0.01	0.01	0.01
Reserves and surplus	0.70	0.47	0.31	0.26
Carry forward losses	0.00	0.00	0.00	0.00
Net Worth	0.71	0.48	0.32	0.27
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	4.00	6.89	4.31	0.65
Fixed Assets	0.05	0.08	0.12	0.16
Income from Operations	2.57	1.99	2.61	2.33
Total Income	2.74	2.55	2.76	2.38
Total Expenditure	2.45	2.33	2.69	2.32
Profit before Tax	0.30	0.23	0.07	0.06
Profit after Tax	0.23	0.16	0.05	0.04
Cash profit	0.00	0.00	0.00	0.00
EPS	233.80	159.73	49.54	40.35
Book value	708.87	475.06	315.34	265.80

For PayNX Technologies Private Limited

Hiren
Hirenkumar Shah
Director

DIN: 00092739

Date: 24th June 2022

Place: Mumbai



Annexure B

The Consolidated financial details of Companies for the previous 3 years as per the Audited Statement of Accounts:

Name of the Company: **PayNX Technologies Private Limited**

(Rs. in Crores except for EPS and Book Value)

Particulars	As per last Audited Financials Year (01.04.2021-31.03.2022)	As per last Audited Financial Year (01.04.2020-31.03.2021)	1 year prior to the last Audited Financial Year (01.04.2019-31.03.2020)	2 years prior to the last Audited Financial Year (01.04.2018-31.03.2019)
Equity Paid up Capital	0.01	0.01	0.01	0.01
Reserves and surplus	-16.90	-16.33	0.60	0.39
Carry forward losses	0.00	0.00	0.00	0.00
Net Worth	-16.91	-16.32	0.61	0.40
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	7.51	10.22	7.57	22.37
Fixed Assets	0.28	0.32	0.13	0.18
Income from Operations	45.76	54.50	34.26	38.03
Total Income	47.89	55.24	34.42	38.10
Total Expenditure	47.87	72.56	34.21	38.01
Profit before Tax	0.02	-17.32	0.21	0.10
Profit after Tax	-0.04	-17.38	0.19	0.08
Cash profit	0.00	0.00	0.00	0.00
EPS	-39.79	-17,383.54	187.36	80.96
Book value	-16,888.72	-16,320.04	609.42	400.97

For PayNX Technologies Private Limited

H. S. Shah
Hirenkumar Shah

Director

DIN: 00092739

Date: 24th June 2022

Place: Mumbai



Annexure B

The Financial details of Companies for the previous 3 years as per the Audited Statement of accounts:

Name of the Company: QualiSpace Web Services Private Limited

(Rs. in Crores except for EPS and Book Value)

Particulars	As per last Audited Financials Year (01.04.2021-31.03.2022)	As per last Audited Financial Year (01.04.2020-31.03.2021)	1 year prior to the last Audited Financial Year (01.04.2019-31.03.2020)	2 years prior to the last Audited Financial Year (01.04.2018-31.03.2019)
Equity Paid up Capital	0.01	0.01	0.01	0.01
Reserves and surplus	0.70	0.31	0.27	0.08
Carry forward losses	0.00	0.00	0.00	0.00
Net Worth	0.71	0.32	0.28	0.09
Miscellaneous Expenditure	0.00	0.00	0.00	0.00
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	1.83	1.22	0.42	0.06
Fixed Assets	0.36	0.24	0.30	0.26
Income from Operations	5.16	3.13	3.80	3.56
Total Income	5.18	3.14	3.80	3.58
Total Expenditure	4.66	3.06	3.55	3.50
Profit before Tax	0.53	0.08	0.25	0.07
Profit after Tax	0.39	0.04	0.18	0.05
Cash profit	0.00	0.00	0.00	0.00
EPS	392.40	40.51	184.78	53.36
Book value	711.10	318.70	288.19	93.41

For QualiSpace Web Services Private Limited



Dimple Shah

Director

DIN: 07788365

Date: 24th June 2022

Place: Mumbai



A D V & ASSOCIATES

CHARTERED ACCOUNTANTS

801, Empress Nucleus,
Gaothan Road,
Opp. Little Flower School,
Andheri (East), Mumbai - 400 069.
Tel. : 9325078807 / 9029059911
Email : advassociates@gmail.com

Independent Auditor's Report

TO THE MEMBERS OF PAYNX TECHNOLOGIES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of PAYNX TECHNOLOGIES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone 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 Standalone 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 there under, 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 standalone financial statements.



Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter
1	<i>Key Audit Matter</i>
	<i>Recognition and measurement of revenues of ongoing contracts: The recognition and measurement of revenues of ongoing contracts and revenue which is unbilled involves certain key judgments relating to measurement, documentation and certification of such measurements, identification of milestones and compliance related obligations. Refer Note 22(h) to the Financial Statements</i>
	Auditor's Response
	<i>Principal Audit Procedures</i> Our audit approach was a combination of test of internal controls and substantive procedures which included the following: <ul style="list-style-type: none">• Evaluated the design of internal controls relating to recording of revenues at each period end as per contract terms.• Selected a sample of contracts and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to identification and recognition of revenues.• Reviewed a sample of contracts with unbilled revenues to identify appropriateness of revenue recognition as compared to the certified documentation by customers.• Performed analytical procedures and test of details for reasonableness of recognition of revenues and its corresponding costs.

Information Other than the Standalone 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 Annexure to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone Financial Statements



The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind 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 Standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone financial statements or, if such



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

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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 standalone financial statements including the standalone statement of Profit & Loss account (including Other Comprehensive Income), the standalone Statement of Changes in equity and the standalone Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 standalone 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.
- iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (vi) (a) and (vi) (b) contain any material misstatement.
- v) The Company has neither declared nor paid any dividend during the year.



vi) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

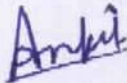
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

2) The Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the company, hence the same is not reported by us.

For A D V & ASSOCIATES

Chartered Accountants

Firm Registration number: **128045W**



Ankur Rathi

Partner

Membership number: **162441**

Mumbai, May 30, 2022

UDIN: 22162441ALGYAA2312



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 **PAYNX TECHNOLOGIES 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 **Vertoz Advertising Limited** ("the Company") as of March 31, 2022 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 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, 2022, 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 A D V & ASSOCIATES

Chartered Accountants

Firm Registration number: 128045W

Ankit

Ankit Rathi
Partner

Membership number: 162441

UDIN : 22162441ALGYAA2312

Mumbai, May 30, 2022



PAYNX TECHNOLOGIES PRIVATE LIMITED
 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)
 Corporate Identity Number : U72900MH2010PTC203628
 Balance Sheet As On 31st March, 2022

		(Figures in '000)	
Particulars	Note No.	Figures as at the end of current reporting period 2021-22	Figures as at the end of previous reporting Period 2020-21
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	₹ 100.00	₹ 100.00
(b) Reserves and surplus	2	₹ 6,988.68	₹ 4,650.64
(b) Money Received against share warrants		₹ -	₹ -
2 Share application money pending allotments			
		₹ -	₹ -
3 Non-current liabilities			
(a) Long-term borrowings		₹ -	₹ 688.78
(b) Other Long Term Liabilities		₹ -	₹ -
(c) Long term provision		₹ -	₹ -
4 Current liabilities			
(a) Short Term Borrowings	4	₹ 40,081.30	₹ 68,222.88
(b) Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	5	₹ 858.36	₹ 107.77
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		₹ 802.40	₹ 4,293.62
(c) Other current liabilities		₹ -	₹ -
(d) Short-term provisions	6	₹ 1,451.90	₹ 6,660.88
TOTAL		₹ 50,282.63	₹ 84,724.08
B ASSETS			
1 Non-current assets			
(i) Property, Plant and Equipment	7	₹ 547.21	₹ 805.64
(ii) Intangible assets		₹ -	₹ -
(iii) Capital Work in progress		₹ -	₹ -
(iv) Intangible Assets under Development		₹ -	₹ -
(b) Non-current investments	8	₹ 330.25	₹ 330.25
(c) Deferred Tax Assets		₹ 92.27	₹ 80.93
(d) Long term loans and Advances		₹ -	₹ -
(e) Other Non Current Assets		₹ -	₹ -
2 Current assets			
(a) Current Investments		₹ -	₹ -
(b) Inventories		₹ -	₹ -
(c) Trade receivables	9	₹ 3,261.71	₹ 12,638.75
(d) Cash and cash equivalents	10	₹ 185.23	₹ 17,915.29
(e) Short-term loans and advances	11	₹ 45,515.97	₹ 52,803.72
(f) Other Current Assets	12	₹ 350.00	₹ 350.00
TOTAL		₹ 50,282.63	₹ 84,724.08

NOTES TO ACCOUNTS

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Notes referred to above and Notes to Accounts attached thereto form an integral part of the Audited Financial Statement
 This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES
 CHARTERED ACCOUNTANTS
 FRN: 128045W | MRN: 162441

Ankit
 CA Ankit Rathl
 Partner
 UDIN: 22162441ALGYAA2312
 PLACE: MUMBAI
 DATE: 30.05.2022



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

H. R. Shah
 Hirenkumar Shah
 Director
 DIN: 00092739

R. H. Shah
 Rasiklal Shah
 Director
 DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

Statement of Profit and Loss for the Year Ended 31st March 2022

Particulars	Note No.	(Figures in '000)	
		Figures for the current reporting period	Figures for the previous reporting period
		2021-22	2020-21
I Revenue from operations (gross)	13	₹ 25,702.47	₹ 19,897.33
Less: Excise Duty/GST/Taxes		₹ -	₹ -
Net Revenue from operations (net)		₹ 25,702.47	₹ 19,897.33
II Other Income	14	₹ 1,753.71	₹ 5,640.34
III Total income (I+II)		₹ 27,456.18	₹ 25,537.68
IV Expenses			
(a) Cost of Services	15	₹ 3,372.68	₹ -2,372.79
(b) Purchase of Stock in Trade			
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		₹ -	₹ -
(d) Employee benefits expenses	16	₹ 15,654.73	₹ 13,048.00
(e) Finance costs	17	₹ 1,673.52	₹ 9,448.23
(f) Depreciation and amortisation expenses	8	₹ 258.43	₹ 413.01
(g) Other expenses	18	₹ 3,517.61	₹ 2,728.69
Total Expenses		₹ 24,476.97	₹ 23,265.13
V Profit before exceptional and extraordinary item and tax		₹ 2,979.21	₹ 2,272.54
VI Exceptional Items		₹ -	₹ -
VII Profit before extraordinary item and tax		₹ 2,979.21	₹ 2,272.54
VIII Extraordinary Items		₹ -	₹ -
IX Profit before Tax		₹ 2,979.21	₹ 2,272.54
X Tax Expense:			
(a) Current tax expense		₹ 760.92	₹ 701.79
Excess / Short Provision		₹ -108.40	₹ -
(b) Deferred tax		₹ -11.34	₹ -26.51
XI Profit / (Loss) for the period from continuing operations		₹ 2,338.03	₹ 1,597.26
XII Profit / (Loss) from discontinuing operations		₹ -	₹ -
XIII Tax from discontinuing operations		₹ -	₹ -
XIV Profit/ (Loss) from discontinuing operations		₹ -	₹ -
XV (Loss) for the Period		₹ 2,338.03	₹ 1,597.26
XVI Earning per equity share:			
(1) Basic		₹ 233.80	₹ 159.73
(2) Diluted		₹ 233.80	₹ 159.73

NOTES TO ACCOUNTS

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Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441


CA Ankit Rathi
Partner

UDIN: 22162441ALGYAA2312

PLACE: MUMBAI

DATE: 30.05.2022




Hirenkumar Shah
Director
DIN: 00092739


Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED
 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080
 Corporate Identity Number : U72900MH2010PTC203628
 Cash Flow Statement as on 31st March, 2022

		(Figures in '000)	
Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
		2021-22	2020-21
A : Cash flows from operating activities:			
Profit before taxation	(a)	₹ 2,979.21	₹ 2,272.54
Add: Non Operating Expense			
Depreciation		₹ 258.43	₹ 413.01
Interest Expense		₹ 1,673.52	₹ 9,448.23
	(b)	₹ 1,931.95	₹ 9,861.24
Less: Non Operating Income			
Interest Income	(c)	₹ 1,753.71	₹ 5,640.34
		₹ 1,753.71	₹ 5,640.34
Operating profit before working capital changes	d=(a+b-c)	₹ 3,157.45	₹ 6,493.44
Working Capital Changes:			
Decrease /(Increase) In Trade Receivables		₹ 9,376.54	₹ -9,778.36
Decrease/(Increase) In Loans & Advances (Assets)		₹ 7,087.75	₹ -32.57
Decrease/(Increase) In Inventories		₹ -	₹ -
Decrease/(Increase) in Other Current Assets		₹ -	₹ 3,412.21
Increase /(Decrease) in Other Long Term Liabilities		₹ -	₹ -
Increase /(Decrease) in Trade Payables		₹ -2,740.14	₹ -10,516.48
Increase /(Decrease) in Other Current Liabilities		₹ -	₹ -
Increase /(Decrease) in Provisions		₹ -5,208.98	₹ -803.28
	(e)	₹ 8,515.18	₹ -17,718.48
Cash generated from operations	(d+e)	₹ 11,672.62	₹ -11,225.04
Taxes Paid		₹ 652.52	₹ 701.79
Net cash used in operating activities	(A)	₹ 11,020.11	₹ -11,926.82
B : Cash flows from investing activities:			
Interest & Other Income		₹ 1,753.71	₹ 5,640.34
Non-Current Investment in WOS - US		₹ -	₹ -
Fixed Assets Addition		₹ -	₹ -27.14
Net cash Generated from investing activities	(B)	₹ 1,753.71	₹ 5,613.20
C : Cash Flows from financing activities:			
Increase in borrowing		₹ -28,830.36	₹ 25,799.68
Interest Expenses		₹ -1,673.52	₹ -9,448.23
Fixed Deposit		₹ -	₹ -
Net cash generated from financing activities	(C)	₹ -30,503.88	₹ 16,351.45
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	₹ -17,730.06	₹ 10,037.83
E : Cash and Cash equivalents at beginning of period	(E)	₹ 17,915.29	₹ 7,877.45
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	₹ 185.23	₹ 17,915.29

NOTES TO ACCOUNTS

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Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

Ankit

CA Ankit Rathi
Partner

UDIN: 22162441ALGYAA2312

PLACE: MUMBAI

DATE: 30.05.2022



PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar

Hirenkumar Shah
Director
DIN: 00092739

Rasiklal

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note -1. SHARE CAPITAL

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting	
	Number of shares	2021-22	Number of shares	2020-21
(a) Authorised 10000 Equity shares of Rs.10/- each with voting rights	1,00,000	100%	1,00,000	100%
(b) Issued, Subscribed and Paid up 10000 Equity shares of Rs.10 each with voting rights	1,00,000	100%	1,00,000	100%
Total	1,00,000	100%	1,00,000	100%

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
1.Mr. Hirenkumar Rasiklal Shah 4000 Eq. Shares of Rs.10/- each	4,000	4.00%	10.00	40,000
2.Mr. Ashish Rasiklal Shah 4000 Eq. Shares of Rs.10/- each	4,000	4.00%	10.00	40,000
TOTAL	8,000	8.00%	10.00	80,000

NOTE 1A. SHARES HELD BY PROMOTORS

Current Reporting Period				
Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hirenkumar Rasiklal Shah	4,000	40%	15%
2	Mr. Ashish Rasiklal Shah	4,000	40%	15%
3	Mr. Rasiklal Shah	-	0%	-100%
4	Mrs. Ranjanben Shah	-	0%	-100%

Previous reporting Period				
Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. Hirenkumar Rasiklal Shah	2,500	25%	0%
2	Mr. Ashish Rasiklal Shah	2,500	25%	0%
3	Mr. Rasiklal Shah	2,500	25%	0%
4	Mrs. Ranjanben Shah	2,500	25%	0%

NOTE- 1B. STATEMENTS OF CHANGES IN EQUITY

Current Reporting Period				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
10,000	-	10,000	-	10,000

Previous reporting Period				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
10,000	-	10,000	-	10,000



PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note 2 RESERVES AND SURPLUS

(Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
(A) Securities premium account		
Opening balance	₹ -	₹ -
Closing balance	₹ -	₹ -
(B) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	₹ 4,650.64	₹ 3,053.38
Add: Profit / (Loss) for the year	₹ 2,338.03	₹ 1,597.26
Closing Balance	₹ 6,988.68	₹ 4,650.64
Total	₹ 6,988.68	₹ 4,650.64

Note 3 LONG TERM BORROWINGS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
UNSECURED LOANS		
Loan From Bank	₹ -	₹ 688.78
TOTAL	₹ -	₹ 688.78

Note 4 SHORT TERM BORROWINGS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
UNSECURED LOANS		
(a) Loan From Related Parties	₹ 29,368.90	₹ 60,904.18
(b) Loans from Banks	₹ 712.40	₹ 7,318.70
(c) Loan from Others	₹ 10,000.00	₹ -
TOTAL	₹ 40,081.30	₹ 68,222.88

Note 6 SHORT TERM PROVISIONS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
(a) Provision for employee benefits		
PF, ESIC & MLWF Payable	₹ 132.68	₹ 114.19
Salary Payable	₹ 166.73	₹ 4,700.00
(b) Provision - for TAX		
Provision for Income Tax(Prior Years)	₹ -	₹ 154.67
Provision for Income Tax(Current Years)	₹ 760.92	₹ 701.79
TDS Payable	₹ 150.62	₹ 778.98
(c) Provision - Others		
GST Payable	₹ -	₹ -
Audit Fees Payable	₹ 240.95	₹ 211.25
Total	₹ 1,451.90	₹ 6,660.88



PAYNX TECHNOLOGIES PRIVATE LIMITED
STATEMENT OF FIXED ASSETS, AS ON 31 ST MARCH 2022

Note - 7

(Figures in '000)

PARTICULARS	RATE OF DEPRECIATION	G R O S S ----- B L O C K						D E P R E C I A T I O N				N E T -- B L O C K	
		AS ON	ADDITIONS Before	ADDITIONS	SALE	AS ON	UP TO	FOR THE	AS ON	AS ON	AS ON	AS ON	
		01-04-2021	30.09.2021	After 30.09.2021	during the year	31.3.2022	01.04.2021	YEAR	31.03.2022	31.03.2022	31.03.2022	31.03.2021	
Data Computers, Laptops, Data Servers & Peripherals		₹ 2,542.23	₹ -	₹ -	₹ -	₹ 2,542.23	₹ 2,221.30	₹ 126.47	₹ 2,347.77	₹ 194.46	₹ 320.93		
Furniture & Fixtures		₹ 1,068.37	₹ -	₹ -	₹ -	₹ 1,068.37	₹ 591.83	₹ 129.09	₹ 720.92	₹ 347.45	₹ 476.54		
Office Equipments		₹ 49.00	₹ -	₹ -	₹ -	₹ 49.00	₹ 40.83	₹ 2.87	₹ 43.70	₹ 5.30	₹ 8.17		
TOTAL		₹ 3,659.60	₹ -	₹ -	₹ -	₹ 3,659.60	₹ 2,853.96	₹ 258.43	₹ 3,112.39	₹ 547.21	₹ 805.64		
PREVIOUS YEAR		₹ 3,632.46	₹ 27.14	₹ -	₹ -	₹ 3,659.60	₹ 2,440.95	₹ 413.01	₹ 2,853.96	₹ 805.64	₹ 1,191.51		



PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note 8 NON CURRENT INVESTMENTS

(Figures in '000)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
AdMeridian Inc. - Share Capital	₹	66.90	₹	66.90
HueAds Inc - Share Capital	₹	65.09	₹	65.09
OwnRegistrar Inc - Share Capital	₹	66.59	₹	66.59
QualiSpace Inc. - Share Capital	₹	66.59	₹	66.59
Vokut Inc - Share Capital	₹	65.09	₹	65.09
Total	₹	330.25	₹	330.25

Note 10 CASH AND CASH EQUIVALENTS

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
A) Cash In Hand	₹	14.21	₹	9.47
B) Bank Balance	₹	171.01	₹	9,949.00
C) Fixed Deposits	₹	-	₹	7,956.82
Total	₹	185.23	₹	17,915.29

Note 11 SHORT TERM LOANS AND ADVANCES

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
Loans and advances to related parties	₹	8,859.10	₹	5,840.95
Loan to Staff	₹	62.50	₹	-
Advance to Others	₹	34,914.75	₹	44,250.81
Balances with Revenue Authorities				
GST Receivable	₹	1,333.16	₹	2,077.38
TDS Receivable	₹	346.46	₹	434.58
Total	₹	45,515.97	₹	52,603.72

Note 12 OTHER CURRENT ASSETS

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
Rent Deposit	₹	350.00	₹	350.00
Others	₹	-	₹	-
Total	₹	350.00	₹	350.00



PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET

Note 5 TRADE PAYABLES

(Figures in '000)

Figures For the Current Reporting Period

2021-22

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹ -	₹ 858.36	₹ -	₹ -	₹ 858.36
Others	₹ 731.65	₹ 61.50	₹ 9.25	₹ -	₹ 802.40
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 731.65	₹ 919.86	₹ 9.25	₹ -	₹ 1,660.75

Figures For Previous Reporting Period

2020-21

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹ -	₹ -	₹ 107.27	₹ -	₹ 107.27
Others	₹ 192.48	₹ 59.58	₹ 54.50	₹ 3,987.06	₹ 4,293.62
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 192.48	₹ 59.58	₹ 161.77	₹ 3,987.06	₹ 4,400.89

Note 9 TRADE RECEIVABLES

(Figures in '000)

Figures For the Current Reporting Period

2021-22

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 2,668.94	₹ -	₹ -	₹ 94.10	₹ 498.67	₹ 3,261.71
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 2,668.94	₹ -	₹ -	₹ 94.10	₹ 498.67	₹ 3,261.71

Figures For Previous Reporting Period

2020-21

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 11,177.89	₹ -	₹ 318.75	₹ -	₹ 1,141.61	₹ 12,638.25
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Total	₹ 11,177.89	₹ -	₹ 318.75	₹ -	₹ 1,141.61	₹ 12,638.25



PAYNX TECHNOLOGIES PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE PROFIT & LOSS ACCOUNT

Note 13 REVENUE FROM OPERATIONS (Figures in '000)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Sale of Services	₹ 25,702.47	₹ 19,897.33
Total - Sales	₹ 25,702.47	₹ 19,897.33

Note 14 OTHER INCOME

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Other Income	₹ 11.84	₹ 1,270.73
Interest on Loans	₹ 1,741.87	₹ 3,885.80
Interest on FD	₹ -	₹ 483.81
Total	₹ 1,753.71	₹ 5,640.34

Note 15 DIRECT SERVICE EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Search Ads	₹ 3,325.43	₹ -2,384.89
Software & Services	₹ 47.25	₹ 12.10
Total	₹ 3,372.68	₹ -2,372.79

Note 16 EMPLOYEE BENEFIT EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Salaries and wages	₹ 15,644.73	₹ 13,031.00
Directors Remuneration	₹ -	₹ -
Staff Welfare	₹ 10.00	₹ 17.00
Bonus	₹ -	₹ -
Total	₹ 15,654.73	₹ 13,048.00

Note 17 FINANCE COST

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Interest on CLUCC and OD	₹ 125.18	₹ 624.68
Foreign Exchange Gain/Loss	₹ 58.00	₹ 532.93
Interest on loan	₹ 1,407.07	₹ 8,265.84
Bank Charges	₹ 83.27	₹ 24.78
		₹ -
Total	₹ 1,673.52	₹ 9,448.23

Note 18 OTHER EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Repairs & Maintenance	₹ 110.26	₹ 32.80
Local Conveyance	₹ 32.66	₹ 7.92
Audit Fees	₹ 46.00	₹ 40.00
Bad Debts	₹ 103.07	₹ -
Office Expenses	₹ 9.32	₹ 40.00
Professional/Legal Fees	₹ 182.41	₹ 55.10
Interest on Late Payment of TDS	₹ 45.00	₹ 30.69
Interest on Late Payment of Service Tax / GST	₹ 11.62	₹ 71.24
Interest on Income Tax	₹ 77.68	₹ -
Insurance Expense	₹ 11.25	₹ -
Profession Tax - Company	₹ 2.50	₹ 2.50
Rounding Off	₹ 0.00	₹ -0.00
Sundry Balance W/off	₹ -	₹ -8.60
Lease Rent Office	₹ 2,544.34	₹ 2,354.63
Internet Expenses	₹ 14.99	₹ 14.99
Utility Expenses	₹ 326.51	₹ 87.42
Total	₹ 3,517.61	₹ 2,728.69



PAYNX TECHNOLOGIES PRIVATE LIMITED
ADDITIONAL NOTES TO FORM OF INTEGRAL PART OF AUDITED FINANCIAL STATEMENTS AS ON 31ST MARCH 2022

I Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand and/or
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan and Advance in the nature of Loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	₹ -	0.00%
Directors	₹ -	0.00%
KMPs	₹ -	0.00%
Related Parties	₹ 8,859.10	20.21%

- II The company do not hold any Benami Property as on the date of this financial statements.**
III The company do not have any relationship with any Struck off Companies as on date of this financials.

IV Ratios

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change
Debt Equity Ratio	Debt Capital	Shareholder's Equity	5.65	14.51	-61.02%
Debt Service Coverage Ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	11.28%	127.02%	-91.12%
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.39	0.58	-31.32%
Inventory Turnover Ratio	COGS	Average Inventory	0.00	0.00	0.00%
Trade Receivables Turnover Ratio	Net Sales	Average trade receivables	3.23	2.40	34.57%
Trade Payables Turnover Ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	2.03	-0.54	-476.66%
Current Ratio	Current Assets	Current Liabilities	1.14	1.05	8.39%
Net Capital Turnover Ratio	Sales	Working capital (CA-CL)	4.20	4.71	-10.86%
Net profit ratio	Net Profit	Sales	9.10%	8.03%	13.32%
Return on Capital Employed	Earnings before interest and tax	Capital Employed	65.64%	215.48%	-69.54%
Return on investment	Net Profit	Investment	7.08	4.84	46.38%

V Utilisation of Borrowed funds and share premium:

- a) Borrowed Fund has been used for working capital and routine operation purpose of the company.
b) During this year there was no share premium received and/or utilised by the Company.



BACKGROUND:

PayNX Technologies Private Limited (the Company) was incorporated on June 2, 2010. The financial statements prepared for the Company and they relate to the period from April 1, 2021 to March 31, 2022. The Company provides Other IT Related Business Services and other allied services to domestic/oversees clients.

Note 19: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. Operating Cycle:

The Company is primarily engaged in the business of Information Technology The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. Fixed Assets:

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. Depreciation/ Amortization:

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.



f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
2.	Furniture & Fixture	NIL
3.	Office Equipment	NIL
	Total	NIL

g. Leases:

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 statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

Revenue from deputation services is recognized on accrual basis as per the terms of contract.

i. Foreign Currency Transactions:**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

- (i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

- (ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

k. Employee Benefits :

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

n. Cash and Cash Equivalents:



The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

20. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year Rs Nil)

21. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

22. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2022 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

23. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2022	As at 31/03/2021
(i)	Deferred tax Liability on account of :		
	Depreciation	(92,268)	(80,929)
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	(92,268)	(80,929)

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

24. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.



25. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

26. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to "Segment Reporting".

27. Related Party Transaction

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Name of Related Parties	Relationship	Nature of Transaction	FY 2021-22		FY 2020-21	
			Net-off Amount of Transactions for FY 2021-22	O/s amounts carried in the Balance Sheet FY 2021-22	Net-off Amount of Transactions for FY 2020-21	O/s amounts carried in the Balance Sheet FY 2020-21
Mr. Hirenkumar Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(28,42,493)	(28,42,493)	(3,52,94,422)	Nil
Mr. Ashish Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(20,23,653)	(2,74,64,480)	(2,52,67,439)	(2,54,40,827)
Mr. Rasiklal Shah	Director	Managerial Remuneration	8,42,000	Nil	Nil	(8,42,000)
Mrs. Rajanben Shah	Director	Managerial Remuneration	Nil	(7,33,687)	Nil	(16,01,411)
Mrs. Archana Shah	Relative of Director	Purchases	Nil	Nil	Nil	(19,01,998)
		Sales	Nil	Nil	1,13,21,082	1,11,77,170



Vertoz Advertising Limited	Sister Concern where Promoters/ Directors having significant control	Purchases	33,25,431	Nil	96,790	Nil
		Loan	(32,62,548)	(14,54,424)	18,08,124	18,08,124
Adzurite Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	91,80,000	1,06,48,800	Nil	3,18,753
		Loan	Nil	Nil	(4,02,539)	Nil
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Purchases	Nil	Nil	Nil	(1,07,266)
		Loan	Nil	(1,23,990)	31,389	(1,23,990)
Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	12,62,295	(11,36,062)	17,31,562	Nil
		Loan	Nil	18,60,080	(38,38,254)	18,60,080
Hashjini Pvt. Ltd.	Sister Concern where Promoters/ Directors having significant control	Loan	(12,38,425)	(14,02,929)	(80,479)	(1,64,504)
Netztrack Solutions	Sister Concern where Promoters/ Directors having significant control	Loan	45,40,104	63,06,233	(33,05,696)	17,66,129
Admeridian Inc.	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	Nil	11,06,850	Nil
Hueads Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	(20,008)	(1,32,587)	(20,008)
Adcanny Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	75,386	2,344	75,386
Adzesto Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	68,683	54,853	68,683

Boffoads Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	68,751	1,55,374	68,751
Flairads Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	68,607	(26,075)	68,607
Admida Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	37,121	4,14,387	37,121
Adokut Inc.	Sister Concern where Promoters/ Directors having significant control	Sales	91,48,600	Nil	91,48,600	Nil
		Loan	(35,885)	Nil	35,885	35,885
Qualispace Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	52,180	Nil	52,180

28. As the Company is not a manufacturing company, the information required under Clause 3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.

29. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the loss of the Company for the year.

30. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.

31. Expenditure in foreign currency – Nil (P.Y. Nil/-)

32. Earning in Foreign Currency (On Cash Basis) – ₹ 1,36,78,855/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	FY 2021-22
Receipt from Export against Invoice	1,37,37,260
Advance against Export Services	-
Exchange Gain/(Loss) on remittance	(58,405)
Total Earning in Foreign Currency (On Cash Basis)	1,36,78,855

33. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)

34. On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

H. S. Shah



HIRENKUMAR SHAH

Director

DIN: 00092739

PLACE: MUMBAI

DATE: 30.05.2022

Independent Auditor's Report

To
The Members of Paynx Technologies Private Limited

Report on the Audit of the Standalone Financial Statements:

Opinion

We have audited the accompanying Standalone Financial Statements of **Paynx Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, 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 Standalone Financial Statements"). 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 Companies Act, 2013 ("the Act") in the manner so required and give a 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 31st March, 2021, the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Standalone 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 Standalone 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 Standalone Financial Statements under the provisions of the Act and the Rules made there under, 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 Standalone Financial Statements.

Information other than the Standalone 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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone 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 Standards 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

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

- Identify and assess the risks of material misstatement of the Standalone 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 Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone 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 Standalone 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 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.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, since in our opinion and according to the information and explanation given to us, the same is NOT applicable to the company.
- g) 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 does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amount which was required to be transferred to the Investor Education and Protection Fund by the company.
2. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the company.

Place: Mumbai
Date: 29th November, 2021

For ADV & Associates
Chartered Accountants
FRN: 128045W

Ankit

Ankit Rathi
Partner

M.No.:162441

UDIN: 22162441AAAAAR8712



PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2021

Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	46,50,640	30,53,376
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		6,88,781	13,42,094
(b) Other Long Term Liabilities		-	-
(c) Deferred Tax Liabilities		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	6,82,22,882	4,17,69,888
(b) Trade Payables	5	92,27,573	1,49,17,368
(c) Other Current Liabilities	6	8,92,748	71,56,343
(d) Short-Term Provisions	7	9,41,458	3,07,808
Total Equity & Liabilities		8,47,24,082	6,86,46,877
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	36,59,600	36,32,460
(ii) Depreciation		28,53,963	24,40,949
(iii) Net Block		8,05,637	11,91,511
(b) Non-Current Investments	9	3,30,248	3,30,248
(c) Deferred Tax Assets (Net)		80,929	54,422
(d) Long Term Loans And Advances		-	-
(2) Current Assets			
(a) Inventories		-	-
(b) Trade Receivables	10	1,26,38,251	28,59,890
(c) Cash and Cash Equivalents	11	1,79,15,298	78,77,455
(d) Short-Term Loans And Advances	12	5,26,03,719	5,25,71,146
(e) Other Current Assets	13	3,50,000	37,62,205
Total Assets		8,47,24,082	6,86,46,877

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

CHARTERED ACCOUNTANTS

FRN: 106456W | MRN: 162441

Ankit



CA Ankit Rath
Partner

UDIN: 22162441AAAAAR8712

PLACE: MUMBAI

DATE: 29.11.2021



Hirenkumar Shah
Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MUMBAI (W)
Corporate Identity Number : U72900MH2010PTC203628

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2021

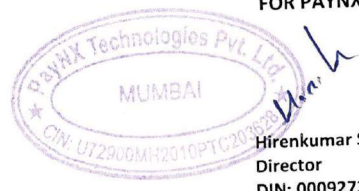
Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Revenue:			
Revenue From Operations (Net of Taxes)	14	1,98,97,334	2,60,65,672
Income From Non-Operation (Net of Taxes)	15	56,40,343	15,76,979
Total Revenue		2,55,37,677	2,76,42,651
Expenses:			
Direct Service Expense	16	23,72,794	55,49,588
Employment Benefit Cost	17	1,30,47,998	1,47,45,885
Finance Cost	18	94,48,230	17,50,721
Other Expenses	19	27,28,687	42,38,925
Depreciation	8	4,13,014	6,47,358
Total Expenses		2,32,65,135	2,69,32,478
Profit Before Tax - PBT		22,72,542	7,10,173
Tax expense:			
(1) Income Tax Provision		7,01,785	2,62,808
Current Tax			
Excess / Short Provision		26,507	47,996
(2) Deferred tax			
Profit/(Loss) for the period After Tax- PAT		15,97,264	4,95,361
No. of Shares		10,000	10,000
Earning per Equity Share:			
(1) Basic		159.73	49.54
(2) Diluted		159.73	49.54


NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Profit & Loss referred to in our Report of even date.

FOR ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 106456W | MRN: 162441

CA Ankit Rathi
Partner
UDIN: 22162441AAAAAR8712
PLACE: MUMBAI
DATE: 29.11.2021



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Director
DIN: 00092739
Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080
Corporate Identity Number : U72900MH2010PTC203628
CASH FLOW STATEMENT AS ON 31ST MARCH, 2021

Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
A : Cash flows from operating activities:			
Profit before taxation	(a)	22,72,542	7,10,173
Add: Non Operating Expense			
Depreciation		4,13,014	6,47,358
Interest Expense	(b)	94,48,230	17,50,721
Less: Non Operating Income			
Interest Income	(c)	56,40,343	15,76,979
Operating profit before working capital changes	d=(a+b-c)	64,93,443	15,31,273
Working Capital Changes:			
Decrease/(Increase) in Trade Receivables		97,78,361	12,28,613
Decrease/(Increase) in Loans & Advances (Assets)		32,574	3,97,05,394
Decrease/(Increase) in Inventories		34,12,205	28,80,138
Decrease/(Increase) in Other Current Assets		-	-
Increase/(Decrease) in Other Long Term Liabilities		56,89,795	46,91,794
Increase/(Decrease) in Trade Payables		62,63,595	19,71,627
Increase/(Decrease) in Other Current Liabilities		6,33,650	1,11,567
Increase/(Decrease) in Provisions	(e)	1,77,18,470	3,70,39,156
Cash generated from operations	(d+e)	1,12,25,027	3,55,07,883
Taxes Paid		7,01,785	2,62,808
Net cash used in operating activities	(A)	1,19,26,812	3,57,70,691
B : Cash flows from investing activities:			
Interest & Other Income		56,40,343	15,76,979
Non-Current Investment in WOS - US		27,140	2,40,148
Fixed Assets Addition	(B)	56,13,203	13,36,831
Net cash Generated from investing activities			
C : Cash Flows from financing activities:			
Increase in borrowing		2,57,99,681	3,66,23,381
Interest Expenses		94,48,230	17,50,721
Fixed Deposit	(C)	1,63,51,452	3,48,72,659
Net cash generated from financing activities			
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	1,00,37,843	4,38,799
E : Cash and Cash equivalents at beginning of period	(E)	78,77,455	74,38,656
F : Cash and cash equivalents at end of period = (D+E)	(D + E)	1,79,15,298	78,77,455

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NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached thereto form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 106456W | MRN: 162441

Ankit

CA Ankit Rathi

Partner

UDIN: 22162441AAAAA8712

PLACE: MUMBAI

DATE: 29.11.2021



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah

Hirenkumar Shah

Director

DIN: 00092739

Rasiklal Shah

Rasiklal Shah

Director

DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2021

Note 2: Share Capital

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
AUTHORIZED CAPITAL 10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
	1,00,000	1,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
Total Value in INR	1,00,000	1,00,000
DETAILS OF SHAREHOLDERS HOLDING 5% OR MORE		
1. Mr. Rasiklal Hathichand Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
2. Mr. Hirenkumar Rasiklal Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
3. Mrs. Ranjanben Rasiklal Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
4. Mr. Ashish Rasiklal Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
Total Value in INR	1,00,000	1,00,000

Note 3: Reserve & Surplus

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
(a) Suplus from Profit & Loss Account		
Opening Balances	30,53,376	25,58,015
Add: Profit/(Loss) for the period	15,97,264	4,95,361
Total Value in INR	46,50,640	30,53,376

Note 4: Short Term Borrowings

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Unsecured		
(a) Loan from Related Parties	6,09,04,177	3,45,56,183
Loan From Other Related Parties		
Unsecured	73,18,705	72,13,705
(b) Loans and advances from Banks	6,82,22,882	4,17,69,888
Total Value in INR (A+B)		

Note 5: Trades Payable

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Sundry Creditors	92,27,573	1,49,17,368
Total Value in INR	92,27,573	1,49,17,368

Note 6: Other Current Liabilities

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Statutory Remittance		
Provident Fund Payable	1,13,772	1,08,480
Profession Tax Payable	-	-
TDS	7,78,976	2,62,862
Advance from Customers	-	67,85,001
Total Value in INR	8,92,748	71,56,343

Note 7: Short Term Provisions

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Provision for Income Tax AY 20-21	1,54,673	-
Provision for Income Tax AY 21-22	7,01,785	2,62,808
Other Provisions	85,000	45,000
Total Value in INR	9,41,458	3,07,808



PAYNX TECHNOLOGIES PRIVATE LIMITED
Notes Forming Integral Part of the Balance Sheet as at 31st March 2021

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block		
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Closing Value as on 31.03.2021
I	Tangible Assets										
1	Data Computers, Laptops, Data Servers & Peripherals		25,42,233	-	-	25,42,233	19,90,018	2,31,285	-	22,21,303	5,52,215
2	Furniture & Fixtures		10,41,226	27,140	-	10,68,366	4,15,341	1,76,487	-	5,91,828	6,25,885
3	Office Equipments		49,001	-	-	49,001	35,590	5,242	-	40,832	13,411
	Total Value in INR		36,32,460	27,140	-	36,59,600	24,40,949	4,13,014	-	28,53,963	11,91,511
	Previous Year Figures		33,92,312	2,40,148	-	36,32,460	17,93,591	6,47,358	-	24,40,949	15,98,721



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2021

Note 9 : Other Non Current Investment

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	AdMeridian Inc. - Share Capital	66,898	66,898
	HueAds Inc - Share Capital	65,089	65,089
	OwnRegistrar Inc - Share Capital	66,586	66,586
	QualiSpace Inc. - Share Capital	66,586	66,586
	Vokut Inc - Share Capital	65,089	65,089
	Total Value in INR	3,30,248	3,30,248

Note 10: Trade Receivables

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	<u>Trade Receivables, Outstanding for Less than Six Months</u>		
	Related Party		28,59,890
	Others	1,26,38,251	
	Total Value in INR	1,26,38,251	28,59,890

Note 11 : Cash & Cash Equivalent

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	Cash Balance	9,472	6,618
	Fixed Deposit	79,56,823	75,09,296
	Bank Balances	99,49,003	3,61,541
	Total Value in INR	1,79,15,298	78,77,455

Note 12 : Short Terms Loans and Advances

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	Loans and advances to related parties	5,00,91,761	4,84,17,369
	Loan to Staff	-	83,334
	Balance with Revenue Authorities		
	TDS Receivable	4,34,575	1,60,731
	GST Receivable	20,77,384	39,09,712
	Total Value in INR	5,26,03,719	5,25,71,146

Note 13 : Other Current Assets

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	Rent Deposit	3,50,000	8,50,000
	Advance to Vendors	-	29,12,205
	Total Value in INR	3,50,000	37,62,205



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2021

Note 14: Revenue From Operations

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Export Sales	1,02,55,450	2,28,12,222
Domestic Sales	96,41,884	32,53,450
Total Value in INR	1,98,97,334	2,60,65,672

Note 15 : Income From Non Operation

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Other Income	12,70,732	1,000
Foreign Exchange Gain	-	-
Interest on Loans	38,85,799	-
Interest on FD	4,83,813	15,75,979
Income Tax Refund	-	-
Total Value in INR	56,40,343	15,76,979

Note 16 : Direct Service Expenses

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Search Ads	23,84,889	55,07,895
Software & Services	12,095	41,693
Total Value in INR	23,72,794	55,49,588.45

Note 17 : Employment Benefit Cost

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Salaries and Incentives	1,30,47,998	1,39,03,885
Directors Remuneration	-	8,42,000
Total Value in INR	1,30,47,998	1,47,45,885

Note 18 : Finance Cost

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Interest Expenses		
Interest on CLUCC and OD	6,24,683	17,50,410
Foreign Exchange Gain/Loss	5,32,931	27,930
Interest on loan	82,65,836	-
Bank Charges	24,780	28,241
Total Value in INR	94,48,230	17,50,721

Note 19 : Other Expenses

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Repairs & Maintenance	32,800	30,400
Local Conveyance	7,924	15,148
Travel-International	-	61,891
Administration Expense	-	-
Audit Fees	40,000	50,000
Office Expenses	40,000	59,975
Professional/Legal Fees	55,100	96,513
SBC Paid on Input @ 0.5%	-	-
Interest on Late Payment of TDS	30,689	9,568
Interest on Late Payment of Service Tax / GST	71,240	89,785
Interest on Income Tax	-	-
Insurance Expense	-	8,494
Profession Tax - Company	2,500	2,500
Rounding Off	2	-
Sundry Balance W/off	8,601	-
Content Writing Charges	-	3,500
Lease Rent Office	23,54,628	34,64,398
Selling & Marketing Expenses	-	-
Internet Expenses	14,994	14,994
Utility Expenses	87,416	3,31,760
Total Value in INR	27,28,687	42,38,925



Notes forming part of the Financial Statements for the period ended **31st March 2021**

BACKGROUND:

PayNX Technologies Private Limited (the Company) was incorporated on **June 2, 2010**. These are the **eleventh** financial statements prepared for the Company and they relate to the period from **April 1, 2020** to **March 31, 2021**. The Company provides Other IT Related Business Services and other allied services to domestic/ overseas clients.

Note 1: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. Operating Cycle:

The Company is primarily engaged in the business of Information Technology The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. Fixed Assets:

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. Depreciation/ Amortization:

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.



f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
2.	Furniture & Fixture	NIL
3.	Office Equipment	NIL
	Total	NIL

g. Leases:

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 statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

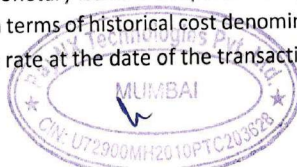
Revenue from deputation services is recognized on accrual basis as per the terms of contract.

i. Foreign Currency Transactions:**(i) Initial Recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

(i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassess realisation.

(ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassess realisation.

k. Employee Benefits :

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

n. Cash and Cash Equivalents:



Notes forming part of the Financial Statements for the period ended **31st March 2021**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

19. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year Rs Nil)

20. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

21. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2020 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

22. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2021	As at 31/03/2020
(i)	Deferred tax Liability on account of :		
	Depreciation	(80,929)	(54,422)
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	(80,929)	(54,422)

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

23. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.



Notes forming part of the Financial Statements for the period ended 31st March 2021

24. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

25. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to "Segment Reporting".

26. Related Party Transaction

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Name of Related Parties	Relationship	Nature of Transaction	FY 2020-21		FY 2019-20	
			Net-off Amount of Transactions for FY 2020-21	Net-off Amount of Transactions for FY 2020-21	Net-off Amount of Transactions for FY 2019-20	Net-off Amount of Transactions for FY 2019-20
Mr. Hirenkumar Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(3,52,94,422)	Nil	3,52,79,777	3,52,79,777
Mr. Ashish Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(2,52,67,439)	(2,54,40,827)	(14,294)	(1,73,388)
Mr. Rasiklal Shah	Director	Managerial Remuneration	Nil	(8,42,000)	4,21,000	(8,42,000)
Mrs. Rajanben Shah	Director	Managerial Remuneration	Nil	(8,42,000)	4,21,000	(8,42,000)
Mrs. Archana Shah	Relative of Director	Purchases	Nil	(19,01,998)	Nil	(19,01,998)
Vertoz Advertising Limited	Sister Concern where Promoters/	Sales	1,13,21,082	1,11,77,170	Nil	Nil
		Purchases	96,790	Nil	51,95,980	(30,30,415)



Notes forming part of the Financial Statements for the period ended **31st March 2021**

	Directors having significant control	Loan	18,08,124	18,08,124	Nil	Nil
Adzurite Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	3,18,753	3,24,248	3,18,753
		Loan	(4,02,539)	Nil	4,02,539	4,02,539
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Purchases	Nil	(1,07,266)	91,467	(1,07,266)
		Loan	31,389	(1,23,990)	(1,38,655)	(1,38,655)
Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	17,31,562	Nil	15,87,648	(5,96,692)
		Loan	(38,38,254)	18,60,080	(17,92,832)	56,98,334
Admeridian Inc.	Sister Concern where Promoters/ Directors having significant control	Sales	11,06,850	Nil	7,94,878	Nil
Adokut Inc.	Sister Concern where Promoters/ Directors having significant control	Sales	91,48,600	Nil	1,30,27,579	(67,84,731)
Qualispace Inc.	Sister Concern where Promoters/ Directors having significant control	Loan	Nil	52,180	Nil	52,180

27. As the Company is not a manufacturing company, the information required under Clause 3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.

28. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the loss of the Company for the year.

29. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.

30. Expenditure in foreign currency – Nil (P.Y. 90,174/-)



Notes forming part of the Financial Statements for the period ended 31st March 2021

31. Earning in Foreign Currency (On Cash Basis) – ₹ 36,36,545/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	FY 2020-21
Receipt from Export against Invoice	36,99,392
Advance against Export Services	-
Exchange Gain/(Loss) on remittance	(62,847)
Total Earning in Foreign Currency (On Cash Basis)	36,36,545

32. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)



33. On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FOR RAYNX TECHNOLOGIES PRIVATE LIMITED

Hiren

HIREN SHAH

Director

DIN: 00092739

PLACE: MUMBAI

DATE: 29.11.2021



Independent Auditor's Report

To
The Members of Paynx Technologies Private Limited

Report on the Audit of the Financial Statements:

Opinion

We have audited the accompanying Financial Statements of **Paynx Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, 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 give a 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 31st March, 2020, the 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 there under, 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.



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 Annexure 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 Accounting Standards 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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 Accounting Standards 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 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure 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 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 does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amount which was required to be transferred to the Investor Education and Protection Fund by the company.



2. The Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, is not applicable to the company.

Place: Mumbai
Date: 01st December, 2020

For ADV & Associates
Chartered Accountants
FRN: 128045W

Ankit



Ankit Rathi
Partner
M.No.:162441
UDIN: 20162441AAAACX2841

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 **Paynx Technologies 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 **Paynx Technologies Private Limited** ("the Company") as of 31st March, 2020 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 judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For ADV & Associates
Chartered Accountants
FRN: 128045W**

Ankit



**Ankit Rathi
Partner
M.No.:162441
UDIN: 20162441AAAACX2841**

**Place: Mumbai
Date: 01st December, 2020**

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	30,53,376	25,58,015
(2) Share Application Money Pending Allotment			
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Other Long Term Liabilities		-	-
(c) Deferred Tax Liabilities		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	4,31,11,982	64,88,601
(b) Trade Payables	5	1,49,17,368	1,02,25,574
(c) Other Current Liabilities	6	71,56,343	51,84,716
(d) Short-Term Provisions	7	3,07,808	1,96,241
Total Equity & Liabilities		6,86,46,877	2,47,53,147
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	36,32,460	33,92,312
(ii) Depreciation		24,40,949	17,93,591
(iii) Net Block		11,91,511	15,98,721
(b) Non-Current Investments	9	3,30,248	3,30,248
(c) Deferred Tax Assets (Net)		54,422	6,426
(d) Long Term Loans And Advances		-	-
(2) Current Assets			
(a) Inventories		-	-
(b) Trade Receivables	10	28,59,890	16,31,278
(c) Cash and Cash Equivalents	11	78,77,455	74,38,656
(d) Short-Term Loans And Advances	12	5,25,71,146	1,28,65,752
(e) Other Current Assets	13	37,62,205	8,82,067
Total Assets		6,86,46,877	2,47,53,147

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

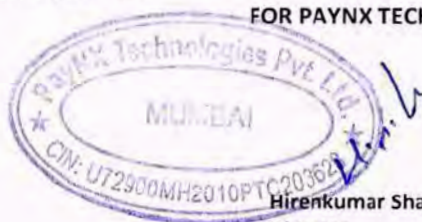
FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

Ankit

CA Ankit Rathi
Partner
UDIN: 20162441AAAACX2841
PLACE: MUMBAI
DATE: 01.12.2020



Hirenkumar Shah
Director
DIN: 00092739

RH Shah

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Revenue:			
Revenue From Operations (Net of Taxes)	14	2,60,65,672	2,33,23,275
Income From Non-Operation (Net of Taxes)	15	15,76,979	4,76,876
Total Revenue		2,76,42,651	2,38,00,151
Expenses:			
Direct Service Expense	16	55,49,588	1,27,23,270
Employment Benefit Cost	17	1,47,45,885	57,93,879
Finance Cost	18	17,50,721	5,82,737
Other Expenses	19	42,38,925	34,11,599
Depreciation	8	6,47,358	7,30,099
Total Expenses		2,69,32,478	2,32,41,584
Profit Before Tax - PBT		7,10,173	5,58,567
Tax expense:			
(1) Income Tax Provision			
Current Tax		2,62,808	1,96,241
Excess / Short Provision			-
(2) Deferred tax		47,996	41,178
Profit/(Loss) for the period After Tax- PAT		4,95,361	4,03,504
No. of Shares		10,000	10,000
Earning per Equity Share:			
(1) Basic		49.54	40.35
(2) Diluted		49.54	40.35

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

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

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

CA Ankit Rathi

Partner

UDIN: 20162441AAAACX2841

PLACE: MUMBAI

DATE: 01.12.2020

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED



Hirenkumar Shah

Director

DIN: 00092739

Rasiklal Shah

Director

DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080
Corporate Identity Number : U72900MH2010PTC203628
AUDITED CASH FLOW STATEMENT AS ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
A : Cash flows from operating activities:			
Profit before taxation	(a)	7,10,173	5,58,567
Add: Non Operating Expense			
Depreciation		6,47,358	7,30,099
Interest Expense		17,50,721	5,82,737
	(b)	23,98,079	13,12,836
Less: Non Operating Income			
Interest Income	(c)	15,76,979	4,76,876
Operating profit before working capital changes	d=(a+b-c)	15,31,273	13,94,527
Working Capital Changes:			
Decrease /(Increase) In Trade Receivables	-	12,28,613	9,41,643
Decrease/(Increase) in Loans & Advances (Assets)	-	3,97,05,394	13,97,568
Decrease/(Increase) in Inventories	-	-	-
Decrease/(Increase) in Other Current Assets	-	28,80,138	5,32,067
Increase /(Decrease) in Other Long Term Liabilities	-	-	-
Increase /(Decrease) in Trade Payables	-	46,91,794	16,13,573
Increase /(Decrease) in Other Current Liabilities	-	19,71,627	9,47,014
Increase /(Decrease) in Provisions	-	1,11,567	1,32,869
	(e)	3,70,39,156	4,43,560
Cash generated from operations	(d+e)	3,55,07,883	9,50,967
Taxes Paid		2,62,808	1,96,241
Net cash used in operating activities	(A)	3,57,70,691	7,54,726
B : Cash flows from investing activities:			
Interest & Other Income		15,76,979	4,76,876
Non-Current Investment in WOS - US		-	-
Fixed Assets Addition		2,40,148	7,82,216
Net cash Generated from investing activities	(B)	13,36,831	3,05,340
C : Cash Flows from financing activities:			
Increase in borrowing		3,66,23,381	88,574
Interest Expenses		17,50,721	5,82,737
Fixed Deposit		-	-
Net cash generated from financing activities	(C)	3,48,72,659	4,94,162
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	4,38,799	44,776
E : Cash and Cash equivalents at beginning of period	(E)	74,38,656	74,83,431
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	78,77,455	74,38,655

NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 128045W | MRN: 162441

Ankit
CA Ankit Rathi
Partner
UDIN: 20162441AAAACX2841
PLACE: MUMBAI
DATE: 01.12.2020



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Hirenkumar Shah
Director
DIN: 00092739

Rasiklal Shah
Rasiklal Shah
Director
DIN: 00091585

Notes forming part of the Financial Statements for the period ended 31st March 2020

BACKGROUND:

PayNX Technologies Private Limited (the Company) was incorporated on **June 2, 2010**. These are the **tenth** financial statements prepared for the Company and they relate to the period from **April 1, 2019** to **March 31, 2020**. The Company provides Other IT Related Business Services and other allied services to domestic/ overseas clients.

Note 1: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. *Basis of preparation of financial statements:*

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. *Operating Cycle:*

The Company is primarily engaged in the business of Information Technology The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. *Use of estimates:*

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. *Fixed Assets:*

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. *Depreciation/ Amortization:*

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.



f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
2.	Furniture & Fixture	NIL
3.	Office Equipment	NIL
	Total	NIL

g. Leases:

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 statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

Revenue from deputation services is recognized on accrual basis as per the terms of contract.

i. Foreign Currency Transactions:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

(i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

(ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

k. Employee Benefits :

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

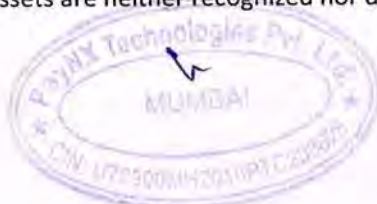
Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.



Notes forming part of the Financial Statements for the period ended 31st March 2020

n. Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

19. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year Rs Nil)

20. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

21. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2020 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

22. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
(i)	Deferred tax Liability on account of :		
	Depreciation	(54,422)	(6,426)
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	(54,422)	(6,426)

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

23. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.



Notes forming part of the Financial Statements for the period ended 31st March 2020

24. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

25. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to "Segment Reporting".

26. Related Party Transaction

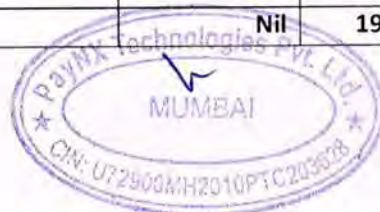
Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Particulars		FY 2019-20		FY 2018-19	
Name of the Related Party & Nature of Relationship	Nature of Transaction	Transaction Value	O/s amounts carried in the Balance Sheet	Transaction Value	O/s amounts carried in the Balance Sheet
Key Managerial Personnel & their Relatives:					
Mr. Hirenkumar Shah	Managerial Remuneration	Nil	Nil	Nil	Nil
Mr. Ashish Shah	Managerial Remuneration	Nil	Nil	Nil	Nil
Mr. Rasiklal Shah	Managerial Remuneration	4,21,000	8,42,000	4,21,000	4,21,000
Mrs. Ranjanben Shah	Managerial Remuneration	4,21,000	8,42,000	4,21,000	4,21,000
Mrs. Dimple Shah	Purchases	Nil	Nil	Nil	Nil
Mrs. Gunja Shah	Purchases	Nil	Nil	Nil	Nil
Mrs. Archana Shah	Purchases	Nil	19,01,998	19,21,211	19,21,211



Notes forming part of the Financial Statements for the period ended 31st March 2020

27. Cash Flow Statement as required in terms of Accounting Standard "AS-3 (Revised) Cash Flow Statements" is not applicable to the Company, as paid-up capital is less than ₹ 50 Lacs and/or turnover is less than ₹ 2 Crore p.a. for period covered under this audit.

28. As the Company is not a manufacturing company, the information required under Clause 3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.

29. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the loss of the Company for the year.

30. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.

31. Expenditure in foreign currency – ₹ 90,174/- (P.Y. 1,27,481/-)

32. Earning in Foreign Currency (On Cash Basis) – ₹ 2,38,85,007/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	FY 2019-20
Receipt from Export against Invoice	2,39,73,759
Advance against Export Services	-
Exchange Gain/(Loss) on remittance	(88,752)
Total Earning in Foreign Currency (On Cash Basis)	2,38,85,007

33. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)

34. On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

HIREN SHAH

Director

DIN: 00092739

PLACE: MUMBAI

DATE: 01.12.2020



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note 2: Share Capital

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
AUTHORIZED CAPITAL		
10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
	1,00,000	1,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
<i>To the Subscribers of the Memorandum</i>		
Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
Total Value in INR	1,00,000	1,00,000
DETAILS OF SHAREHOLDERS HOLDING 5% OR MORE		
1. Mr. Rasiklal Hathichand Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
2. Mr. Hirenkumar Rasiklal Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
3. Mrs. Ranjanben Rasiklal Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
4. Mr. Ashish Rasiklal Shah 2500 Eq. Shares of Rs.10/- each	25,000	25,000
Total Value in INR	1,00,000	1,00,000

Note 3 : Reserve & Surplus

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
(a) Suplus from Profit & Loss Account		
Opening Balances	25,58,015	21,54,511
Add: Profit/(Loss) for the period	4,95,361	4,03,504
Total Value in INR	30,53,376	25,58,015

Note 4 : Short Term Borrowings

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Unsecured		
(a) Loan from Related Parties		
Loan From Other Related Parties	3,45,56,183	1,28,489
Unsecured		
(b) Loans and advances from Banks	85,55,799	63,60,112
Total Value in INR (A+B)	4,31,11,982	64,88,601

Note 5 : Trades Payable

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Sundry Creditors	1,49,17,368	1,02,25,574
Total Value in INR	1,49,17,368	1,02,25,574

Note 6 : Other Current Liabilities

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Statutory Remittance		
Equalization Levy	-	1,677
Provident Fund Payable	1,08,480	32,484
TDS	2,62,862	1,07,148
Advance from Customers	67,85,001	50,43,406
Total Value in INR	71,56,343	51,84,716

Note 7 : Short Term Provisions

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Provision for Income Tax AY 19-20	-	1,96,241
Provision for Income Tax AY 20-21	2,62,808	-
Other Provisions	45,000	-
Total Value in INR	3,07,808	1,96,241



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March 2020

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Rate	Gross Block				Depreciaton				Net Block	
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Closing Value as on 31.03.2020	Closing Value as on 31.03.2019
I	Tangible Assets											
1	Data Computers, Laptops, Data Servers & Peripherals		24,65,219	77,014	-	25,42,233	15,91,731	3,98,287	-	19,90,018	5,52,215	8,73,488
2	Furniture & Fixtures		8,78,092	1,63,134	-	10,41,226	1,75,257	2,40,084	-	4,15,341	6,25,885	7,02,835
3	Office Equipments		49,001	-	-	49,001	26,603	8,987	-	35,590	13,411	22,398
	Total Value in INR		33,92,312	2,40,148	-	36,32,460	17,93,591	6,47,358	-	24,40,949	11,91,511	15,98,721
	Previous Year Figures		26,10,096	7,82,216	-	33,92,312	10,63,492	7,30,099	-	17,93,591	15,98,721	15,46,604



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March 2020

Note 9 : Other Non Current Investment

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	AdMeridian Inc. - Share Capital	66,898	66,898
	HueAds Inc - Share Capital	65,089	65,089
	OwnRegistrar Inc - Share Capital	66,586	66,586
	QualiSpace Inc. - Share Capital	66,586	66,586
	Vokut Inc - Share Capital	65,089	65,089
	Total Value in INR	3,30,248	3,30,248

Note 10: Trade Receivables

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	<u>Trade Receivables, Outstanding for Less than Six Months</u>		
	Related Party		-
	Others	28,59,890	16,31,278
	Total Value in INR	28,59,890	16,31,278

Note 11 : Cash & Cash Equivalent

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	Cash Balance	6,618	2,118
	Fixed Deposit	75,09,296	70,63,492
	Bank Balances	3,61,541	3,73,046
	Total Value in INR	78,77,455	74,38,656

Note 12 : Short Terms Loans and Advances

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	Loans and advances to related parties	4,84,17,369	94,17,772
	Loan to Staff	83,334	64,700
	<u>Balance with Revenue Authorities</u>		
	TDS Receivable	1,60,731	2,13,969
	GST Receivable	39,09,712	31,69,311
	Total Value in INR	5,25,71,146	1,28,65,752

Note 13 : Other Current Assets

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	Rent Deposit	8,50,000	8,50,000
	Advance to Vendors	29,12,205	32,067
	Total Value in INR	37,62,205	8,82,067



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2020

Note 14: Revenue From Operations

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Export Sales	2,28,12,222	1,72,22,676
Domestic Sales	32,53,450	61,00,599
Total Value in INR	2,60,65,672	2,33,23,275

Note 15 : Income From Non Operation

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Other Income	1,000	7,474
Foreign Exchange Gain	-	-
Interest on Loans	-	-
Interest on FD	15,75,979	4,69,402
Income Tax Refund	-	-
Total Value in INR	15,76,979	4,76,876

Note 16 : Direct Service Expenses

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Search Ads	55,07,895	1,27,00,733
Software & Services	41,693	22,537
Total Value in INR	55,49,588.45	1,27,23,270.26

Note 17 : Employment Benefit Cost

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Salaries and Incentives	1,39,03,885	49,51,879
Directors Remuneration	8,42,000	8,42,000
Total Value in INR	1,47,45,885	57,93,879

Note 18 : Finance Cost

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Interest Expenses		
Interest on CLUCC and OD	17,50,410	7,23,130
Foreign Exchange Gain/Loss	-	1,79,755
Bank Charges	28,241	39,361
Total Value in INR	17,50,721	5,82,737

Note 19 : Other Expenses

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Repairs & Maintenance	30,400	23,808
Local Conveyance	15,148	39,415
Travel-International	61,891	-
Administration Expense	-	-
Audit Fees	50,000	-
Office Expenses	59,975	1,20,450
Professional/Legal Fees	96,513	1,35,012
SBC Paid on Input @ 0.5%	-	-
Interest on Late Payment of TDS	9,568	20,502
Interest on Late Payment of Service Tax / GST	89,785	15,668
Interest on Income Tax	-	-
Insurance Expense	8,494	8,496
Profession Tax - Company	2,500	2,500
Sundry Balance W/off	-	-
Content Writing Charges	3,500	1,81,818
Lease Rent Office	34,64,398	26,28,880
Selling & Marketing Expenses	-	55,000
Internet Expenses	14,994	-
Utility Expenses	3,31,760	1,80,050
Total Value in INR	42,38,925	34,11,599



Independent Auditor's Report

**To
The Members of Paynx Technologies Private Limited**

Report on the Audit of the Consolidated Financial Statements:

Opinion

We have audited the accompanying Consolidated Financial Statements of **Paynx Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, 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 Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a 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, 2021, the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements.

2



Other Matter

We did not audit the financial statements and other information, in respect of the subsidiary company and Associates company, in respect of subsidiary company financial statements include total assets of Rs. 3165.38 Lakhs as at March 31, 2021, and total revenues of Rs.231.99 Lakhs for the year ended on that date.

These financial statements and other financial information have been prepared and submitted to us by the management. Our opinion is not modified in respect of this matter.

Information other than the Consolidated 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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 reporting this regard.

Management's Responsibility for the Consolidated 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 Consolidated 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 Standards 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

①

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements comply with the Accounting Standards 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.



A D V & Associates

801, Empress Nucleus, Gaothan Road, Near Little Flower School, Behind Vishal Hall, Gundavali, Andheri East, Mumbai -400069

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, since in our opinion and according to the information and explanation given to us, the same is NOT applicable to the company.
- g) 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 does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amount which was required to be transferred to the Investor Education and Protection Fund by the company.



**For A D V & Associates
Chartered Accountants
FRN: 128045W**

Ankit

**Ankit Rathi
Partner**

**M.No.: 162441
UDIN:22162441AAAAAQ7043**

**Place: Mumbai
Date :29th November, 2021**

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)
Corporate Identity Number : U72900MH2010PTC203628

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES FOR YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Amount as at 31st March 2021	Amount as at 31st March 2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	16,33,00,445	59,94,193
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings			
(b) Other Long Term Liabilities		6,88,781	13,42,094
(c) Deferred Tax Liabilities		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings			
(b) Trade Payables	4	10,14,99,331	7,43,63,526
(c) Other Current Liabilities	5	20,18,98,877	7,01,59,647
(d) Short-Term Provisions	6	8,92,748	3,71,342
	7	9,75,932	3,43,164
Total Equity & Liabilities		14,27,55,223	15,26,73,966
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	64,30,307	40,18,524
(ii) Depreciation		32,67,956	26,75,931
(iii) Net Block		31,62,351	13,42,593
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)	9	80,929	54,422
(d) Long Term Loans And Advances		-	-
(2) Current Assets			
(a) Inventories			
(b) Trade Receivables			
(c) Cash and Cash Equivalents	10	3,74,53,901	7,09,45,691
(d) Short-Term Loans And Advances	11	3,61,73,512	1,14,71,985
(e) Other Current Assets	12	6,55,22,262	6,50,97,070
	13	3,62,268	37,62,205
Total Assets		14,27,55,223	15,26,73,966

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

CA Ankit Rathi
Partner

PLACE: MUMBAI
DATE: 29.11.2021



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 29.11.2021

Rasiklal Shah
Director
DIN: 00091585



PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR YEAR ENDED 31ST MARCH, 2021

Particulars	Note No.	Amount as at 31st March 2021	Amount as at 31st March 2020
Revenue:			
Revenue From Operations (Net of Taxes)	14	54,50,44,232	34,26,04,144
Income From Non-Operation (Net of Taxes)	15	74,01,253	15,76,979
Total Revenue		55,24,45,485	34,41,81,123
Expenses:			
Direct Service Expense	16	65,81,32,218	31,57,28,046
Employment Benefit Cost	17	1,30,47,998	1,47,45,885
Finance Cost	18	1,91,16,635	44,89,571
Other Expenses	19	3,47,10,084	64,09,476
Depreciation	8	5,98,722	7,19,748
Total Expenses		72,56,05,657	34,20,92,727
Profit Before Tax - PBT		- 17,31,60,172	20,88,397
Tax expense:			
(1) Income Tax Provision			
Current Tax		7,01,785	2,62,808
Excess / Short Provision			-
(2) Deferred tax		-	47,996
Profit/(Loss) for the period After Tax- PAT		- 17,38,35,450	18,73,585
No. of Shares		10,000	10,000
Earning per Equity Share:			
(1) Basic		-	17,383.54
(2) Diluted		-	17,383.54

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an Integral part of the Audited Financial Statement

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

FOR ADV & ASSOCIATES

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

CHARTERED ACCOUNTANT

FIRM REGISTRATION NO: 130078W

CA Ankit Rath
Partner



PLACE: MUMBAI
DATE: 29.11.2021



Hirenkumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 29.11.2021

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080
Corporate Identity Number : U72900MH2010PTC203628
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2021

Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
A : Cash flows from operating activities:			
Profit before taxation	(a)	17,31,60,172	20,88,397
Add: Non Operating Expense			
Depreciation		5,98,722	7,19,748
Interest Expense		1,91,16,635	44,89,571
Exchange gain/loss on restatement of forex		21,09,843	1,47,338
	(b)	2,18,25,200	53,56,658
Less: Non Operating Income			
Interest Income		74,01,253	15,76,979
	(c)	74,01,253	15,76,979
Operating profit before working capital changes	d=(a+b-c)	15,87,36,225	58,68,075
Working Capital Changes:			
Decrease/(Increase) In Trade Receivables		3,34,91,789	20,14,82,553
Decrease/(Increase) in Loans & Advances (Assets)		4,25,192	4,41,96,371
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		33,99,937	28,80,138
Increase/(Decrease) in Other Long Term Liabilities		-	-
Increase/(Decrease) in Trade Payables		13,17,39,230	86,36,509
Increase/(Decrease) in Other Current Liabilities		5,21,406	2,30,033
Increase/(Decrease) in Provisions		6,32,768	1,14,482
	(e)	16,93,59,938	14,61,14,051
Cash generated from operations	(d+e)	1,06,23,714	15,19,82,126
Taxes Paid		6,75,278	2,14,812
Net cash used in operating activities	(A)	99,48,436	15,17,67,314
B : Cash flows from investing activities:			
Interest & Other Income		74,01,253	15,76,979
Non-Current Investment in WOS - US		-	-
Fixed Assets Addition		24,21,417	2,40,148
Net cash Generated from investing activities	(B)	49,79,837	13,36,831
C : Cash Flows from financing activities:			
Increase in borrowing		2,64,82,492	14,79,76,384
Accumulated Profit b/f on account of Acquisition		24,07,397	-
Interest Expenses		1,91,16,635	44,89,571
Fixed Deposit		-	-
Net cash generated from financing activities	(C)	97,73,254	15,24,65,955
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	2,47,01,526	6,38,189
E : Cash and Cash equivalents at beginning of period	(E)	1,14,71,985	1,08,33,796
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	3,61,73,512	1,14,71,985

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

Ankit
CA Ankit Rathi
Partner

PLACE: MUMBAI
DATE: 29.11.2021

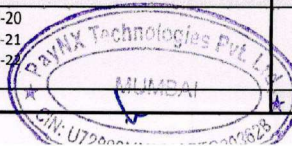
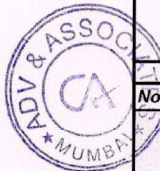


FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

RHShah
Nirenkumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 29.11.2021

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED			
<i>Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2021</i>			
Note 2: Share Capital			
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	AUTHORIZED CAPITAL 10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
	ISSUED, SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
	Total Value in INR	1,00,000	1,00,000
Note 3: Reserve & Surplus			
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	(a) Suplus from Profit & Loss Account		
	Opening Balances	59,94,193	39,09,732
	Add: Profit/(Loss) for the period	17,38,35,450	18,73,585
	Add: Accumulated Profit b/f on account of Acquisition	24,07,397	-
	Forex Revaluation Reserve	21,33,414	2,10,876
	Total Value in INR	16,33,00,445	59,94,193
Note 4: Short Term Borrowings			
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Unsecured		
	(a) Loan from Related Parties		
	Loan From Directors	1,13,876	1,80,926
	Loan From Other Related Parties	8,86,96,943	6,69,68,895
	Unsecured		
	(b) Loans and advances from Banks		
	Others	73,18,705	72,13,705
	Total Value in INR (A+B)	10,14,99,331	7,43,63,526
Note 5: Trades Payable			
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Sundry Creditors	20,18,98,877	6,33,74,646
	Advance from Customers	-	67,85,001
	Total Value in INR	20,18,98,877	7,01,59,647
Note 6: Other Current Liabilities			
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Statutory Remittance		
	GST	-	-
	Provident Fund Payable	1,13,772	1,08,480
	TDS	7,78,976	2,62,862
	Other Statutory Liability	-	-
	Total Value in INR	8,92,748	3,71,342
Note 7: Short Term Provisions			
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Provision for Income Tax AY 19-20	-	-
	Provision for Income Tax AY 20-21	1,54,673	2,62,808
	Provision for Income Tax AY 21-22	7,01,785	-
	Other Provisions	1,19,474	80,356
	Total Value in INR	9,75,932	3,43,164



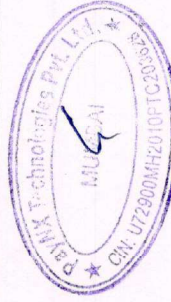
PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March 2021

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Rate	Gross Block			Depreciation			Net Block					
			Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Forex revaluation	Value at the end	Forex revaluation	Value at the end	Closing Value as on 31.03.2021			
I	Tangible Assets													
1	Data Computers, Laptops, Data Servers & Peripherals		29,28,297	-	-	29,18,663	9,634	-	25,15,582	-	25,15,582	6,698	4,03,082	7,03,297
2	Furniture & Fixtures		10,41,226	27,140	-	10,68,366	-	-	5,91,828	1,76,487	4,08,341	-	4,76,538	6,25,885
3	Office Equipments		49,001	-	-	49,001	-	-	40,832	5,242	35,590	-	8,169	13,411
II	Intangible Assets													
	Goodwill		-	23,94,277	-	23,94,277	-	-	1,19,714	1,19,714	-	-	22,74,563	-
	Total Value in INR		40,18,524	24,21,417	-	64,30,307	9,634	-	26,75,931	5,98,722	32,67,956	-	31,62,351	13,42,593
	Previous Year Figures		37,46,550	2,40,148	-	40,18,524	31,826	-	19,39,899	7,19,748	26,75,931	16,284	13,42,593	18,06,651



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March 2021

Note 9: Trade Receivables

Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
Trade Receivables, Outstanding for Less than Six Months		
Related Party	-	-
Others	3,74,53,901	7,09,45,691
Total Value in INR	3,74,53,901	7,09,45,691

Note 10 : Cash & Cash Equivalent

Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
Cash Balance	82,977	6,618
Fixed Deposit	79,56,823	75,09,296
Bank Balances	2,81,33,712	39,56,071
Total Value in INR	3,61,73,512	1,14,71,985

Note 11 : Short Terms Loans and Advances

Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
Loans and advances to related parties	6,30,10,304	6,09,43,293
Loan to Staff	-	83,334
Balance with Revenue Authorities		
TDS Receivable	4,34,575	1,60,731
GST Receivable	20,77,384	39,09,712
Total Value in INR	6,55,22,262	6,50,97,070

Note 12 : Other Current Assets

Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
Rent Deposit	3,62,268	8,50,000
Advance to Vendors	-	29,12,205
Total Value in INR	3,62,268	37,62,205



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Part of the Consolidated Profit & Loss Accounts as at 31st March, 2021

Note 13: Revenue From Operations

	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Sale of services	54,50,44,232	34,26,04,144
	Total Value in INR	54,50,44,232	34,26,04,144

Note 14 : Income From Non Operation

	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Other Income	30,31,642	1,000
	Foreign Exchange Gain	-	-
	Interest on Loans	38,85,799	-
	Interest on FD	4,83,813	15,75,979
	Income Tax Refund	-	-
	Total Value in INR	74,01,253	15,76,979

Note 15 : Direct Service Expenses

	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Search Ads	-	55,07,895
	Purchase of Services	61,58,60,093	30,94,81,838
	Hosting & Domain Purchase	4,21,70,898	6,12,679
	Media Fees Payment	-	-
	Software & Services	1,01,228	1,25,634
	Total Value in INR	65,81,32,218.27	31,57,28,046.11

Note 16 : Employment Benefit Cost

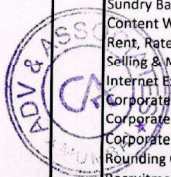
	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Salaries and Incentives	1,30,47,998	1,39,03,885
	Directors Remuneration	-	8,42,000
	Total Value in INR	1,30,47,998	1,47,45,885

Note 17 : Finance Cost

	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Interest Expenses	-	-
	Interest on Loan	88,90,518	17,50,410
	Foreign Exchange Gain/Loss	14,89,230	1,42,738
	Bank Charges	87,36,886	25,96,423
	Total Value in INR	1,91,16,635	44,89,571

Note 18 : Other Expenses

	Particulars	Amount as at 31st March 2021	Amount as at 31st March 2020
	Repairs & Maintenance	32,800	82,194
	Local Conveyance	7,924	15,148
	Travel-International	-	61,891
	Administration Expense	-	-
	Audit Fees	40,000	50,000
	Bad Debts	2,88,83,042	-
	Office Expenses	74,346	1,49,019
	Professional/Legal Fees	88,492	3,05,651
	SBC Paid on Input @ 0.5%	-	-
	Interest on Late Payment of TDS	30,689	9,568
	Interest on Late Payment of Service Tax / GST	71,240	89,785
	Interest on Income Tax	-	-
	Insurance Expense	26,205	8,494
	Profession Tax - Company	2,500	1,47,006
	Sundry Balance W/off	4,903	11,163
	Content Writing Charges	-	3,500
	Rent, Rates & Taxes	29,69,833	39,64,248
	Selling & Marketing Expenses	8,91,651	4,94,405
	Internet Expenses	14,994	14,994
	Corporate Tax - City	1,51,124	3,30,369
	Corporate Tax - State	4,33,111	2,24,513
	Corporate Tax - Federal	8,31,952	57,802
	Rounding Off	2,203	6,561
	Recruitment Expenses	-	-
	Software Expenses	70,713	64,526
	Utility Expenses	92,168	3,31,760
	Total Value in INR	3,47,10,084	64,09,476



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

BACKGROUND:

PayNX Technologies Private Limited (the Company) f.k.a Vokut Exchange Private Limited and Infraster Solutions Private Limited was incorporated on June 02, 2010. These are the consolidated financial statements prepared for the Company and they relate to the period from April 1, 2020 to March 31, 2021. The Company provides programmatic online advertising services and other allied services to domestic/ overseas clients.

These consolidated financials include unaudited balance sheet of its subsidiaries and/or step-down subsidiaries, located in US as on the date of this report.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:

i. Basis of preparation of the consolidated financial statements:

The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable, Indian Accounting Standards ('Ind AS')/guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

All amounts included in the consolidated financial statements are reported in millions of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

ii. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements include the financial statements of PayNX and all its subsidiaries, which are more than 100% owned or controlled. The financial statements of the parent company and its majority owned/controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealized gain/loss.
- The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

iii. Use of Estimates:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

iv. Fixed Assets:

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. During the period under review no intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

v. Investments:

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vi. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

vii. Revenue Recognition:

The Company derives revenue primarily from online media advertising and other related services and other products.

a) Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

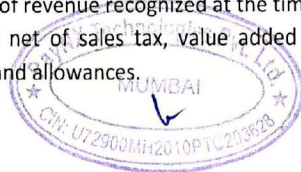
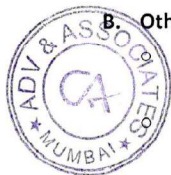
A. Time and Materials Contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered. Unbilled revenues included in other current assets represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

B. Others:

The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.

Revenues are shown net of sales tax, value added tax, goods & service tax and applicable discounts and allowances.



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

- o Contract expenses are recognized as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

b) Products:

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Other Income:

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

viii. Leases:

The Company have its office premises on lease and paid the lease on time as per the Lease Agreement from time to time, subject to TDS provisions laid under the Income Tax Act, 1961 and other allied acts as applicable at time being in force.

ix. Foreign currency transactions

a) Transaction:

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted at the exchange rates prevailing on the date of transaction.

b) Translation:

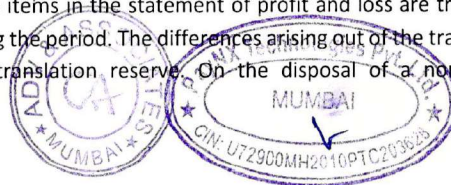
Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognized in the statement of profit and loss, except for the exchange difference arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment in a non-integral foreign operation. Such exchange differences are subsequently recognized in the statement of profit and loss on occurrence of the underlying hedged transaction or on disposal.

c) Integral Operations:

Monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are recognized in the statement of profit and loss.

d) Non-Integral Operations:

Assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve. On the disposal of a non-integral foreign operation, the



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

cumulative balance of Foreign Exchange Gain /(Loss) which relates to that operation is recognized in the statement of profit and loss.

The amended Ind AS 21 provides an irrevocable option to the Company to amortize exchange rate fluctuation on long term foreign currency monetary asset/liability over the life of the asset/liability or March 31, 2021, whichever is earlier. The amendment is applicable retroactively from the financial year beginning on or after December 7, 2006.

The Company did not elect to exercise the option.

x. Depreciation and Amortization

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of Asset	Estimated Useful Life
Computer Equipment's (Data Computers & Servers)	3 – 6 years
Furniture and Fixtures	5 – 10 years
Office Equipment	5 years
Vehicles	8 years
Intangible Assets – Ingenious Plex Platform	8 years

For the class of assets, based on technical assessment, management believes that the useful lives as given above best represents the period over which assets are expected to be used. No assets under finance lease subject to amortization over their estimated useful life or the lease term, whichever is lower.

xi. Employee Benefits

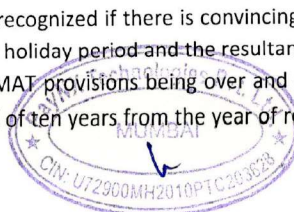
Provident Fund and Social Security Benefit:

Employees receive benefits of the provident fund and other social security as per the governmental laws and regulation of time being in force. The Company have paid all its statutory liability towards its employee in timely manner and there are no pending dues as on date. The employee and employer each make periodic contributions to the plan. A portion of the contribution is made to the employee's provident fund, while the remainder of the contribution is made to the government administered pension fund.

xii. Taxes

a) **Income tax:**

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes was computed under Minimum Alternate Tax (MAT). MAT credit is being recognized if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward for a period of ten years from the year of recognition and is available for set



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

b) **Deferred Tax:**

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the group.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

The Company offsets, on a year on year basis, it's current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xiii. Earnings Per Share:

a) **Basic:**

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trust.

b) **Diluted:**

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the proportionate during the period, unless issued at a later date. The number of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

xiv. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

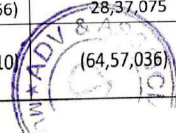
xv. Related Party Transactions:

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

Name of Related Parties	Relationship	Nature of Transaction	FY 2020-21		FY 2019-20	
			Net-off Amount of Transactions for FY 2020-21	Net-off Amount of Transactions for FY 2020-21	Net-off Amount of Transactions for FY 2019-20	Net-off Amount of Transactions for FY 2019-20
Mr. Hirenkumar Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	3,52,94,422	(14,645)	3,52,79,777	3,52,79,777
Mr. Ashish Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(2,58,37,463)	(2,60,10,851)	(14,294)	(1,73,388)
Mr. Rasiklal Shah	Director	Managerial Remuneration	Nil	(8,42,000)	4,21,000	(8,42,000)
Mrs. Rajanben Shah	Director	Managerial Remuneration	Nil	(8,42,000)	4,21,000	(8,42,000)
Mrs. Gunja Shah	Relative of Director	Loan	11,956	Nil	(5,039)	(11,956)
Mrs. Archana Shah	Relative of Director	Purchases	Nil	(19,01,998)	Nil	(19,01,998)
Vertoz Advertising Limited	Sister Concern where Promoters/ Directors having significant control	Sales	1,13,21,082	1,11,77,170	Nil	Nil
		Purchases	96,790	Nil	51,95,980	(30,30,415)
		Loan	18,08,124	18,08,124	Nil	Nil
Adzurite Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	3,18,753	3,24,248	3,18,753
		Loan	(4,02,539)	Nil	4,02,539	4,02,539
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	83,75,096	82,69,279	32,57,592	68,02,046
		Purchases	Nil	(1,07,266)	28,37,075	(1,07,266)
		Loan	2,09,569	(1,55,36,710)	(64,57,036)	(1,57,46,279)



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2021

Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	17,31,562	Nil	15,87,648	(5,96,692)
		Loan	(54,04,249)	(36,48,210)	(41,93,435)	17,56,039
Vertoz Advertising FZ-LLC	Sister Concern where Promoters/ Directors having significant control	Sales	8,92,69,823	Nil	65,00,300	Nil
		Purchases	14,26,44,301	(7,46,55,430)	4,29,72,826	(1,48,78,418)
		Loan	(15,870)	(19,224)	5,66,13,323	(3,354)
Vertoz Limited	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	Nil	1,53,27,214	Nil
		Purchases	2,42,171	(30,22,598)	2,33,24,087	(25,39,918)
		Loan	17,332	(6,77,226)	1,48,46,061	(6,94,558)
Vertoz Inc	Sister Concern where Promoters/ Directors having significant control	Sales	9,56,533	20,83,829	30,01,068	28,90,436
		Purchases	8,99,16,437	(7,46,19,316)	2,44,23,608	(6,13,559)
		Loan	22,70,037	(14,63,506)	11,43,62,717	8,06,531
AdMozart Inc	Sister Concern where Promoters/ Directors having significant control	Sales	15,02,91,966	3,72,522	6,54,49,596	10,95,840
		Purchases	17,44,54,789	(3,01,52,046)	10,35,59,266	(61,55,431)
AdZurite Inc	Sister Concern where Promoters/ Directors having significant control	Sales	34,971	4,33,160	3,92,536	4,08,834
		Purchases	1,26,557	(1,24,958)	Nil	Nil
AdNet Holdings Inc	Sister Concern where Promoters/ Directors having significant control	Loan	(942)	36,826	37,768	37,768
PubNx Inc	Sister Concern where Promoters/ Directors having significant control	Sales	3,46,022	3,59,142	10,693	17,933
		Purchases	9,026	(8,912)	Nil	Nil
Zkraft Inc	Sister Concern where Promoters/ Directors having significant control	Sales	715	2,117	694	1,447

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Shankh
HIRENKUMAR SHAH
 DIRECTOR
 DIN: 00092739



PLACE: MUMBAI
 DATE: 29/11/2021

Independent Auditor's Report

**To
The Members of Paynx Technologies Private Limited**

Report on the Audit of the Consolidated Financial Statements:

Opinion

We have audited the accompanying Consolidated Financial Statements of **Paynx Technologies Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, 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 Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a 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, 2020, the profit and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements.

2



Other Matter

We did not audit the financial statements and other information, in respect of the subsidiary company and Associates company, in respect of subsidiary company financial statements include total assets of Rs. 3165.38 Lakhs as at March 31, 2020, and total revenues of Rs.231.99 Lakhs for the year ended on that date.

These financial statements and other financial information have been prepared and submitted to us by the management. Our opinion is not modified in respect of this matter.

Information other than the Consolidated 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 Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 reporting this regard.

Management's Responsibility for the Consolidated 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 Consolidated 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 Standards 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated 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

(A)



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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

1. Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal 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.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated Financial Statements comply with the Accounting Standards 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, since in our opinion and according to the information and explanation given to us, the same is NOT applicable to the company.

2



A D V & Associates

801, Empress Nucleus, Gaothan Road, Near Little Flower School, Behind Vishal Hall, Gundavali, Andheri East, Mumbai -400069

- g) 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 does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - iii. There were no amount which was required to be transferred to the Investor Education and Protection Fund by the company.

**For A D V & Associates
Chartered Accountants
FRN: 128045W**



Ankit

**Ankit Rathi
Partner**

M.No.: 162441

UDIN:22162441AAAAAQ7043

Place: Mumbai

Date :29th November, 2020

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES FOR YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Amount as at 31st March 2020	Amount as at 31st March 2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	59,94,193	39,09,732
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Other Long Term Liabilities		-	-
(c) Deferred Tax Liabilities		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	7,57,05,620	22,36,82,004
(b) Trade Payables	5	7,01,59,647	7,87,96,156
(c) Other Current Liabilities	6	3,71,342	1,41,309
(d) Short-Term Provisions	7	3,43,164	2,28,682
Total Equity & Liabilities		15,26,73,966	30,68,57,884
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	40,18,524	37,46,550
(ii) Depreciation		- 26,75,931	- 19,39,899
(iii) Net Block		13,42,593	18,06,651
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		54,422	6,426
(d) Long Term Loans And Advances		-	-
(2) Current Assets			
(a) Inventories		-	-
(b) Trade Receivables	9	7,09,45,691	27,24,28,244
(c) Cash and Cash Equivalents	10	1,14,71,985	1,08,33,796
(d) Short-Term Loans And Advances	11	6,50,97,070	2,09,00,700
(e) Other Current Assets	12	37,62,205	8,82,067
Total Assets		15,26,73,966	30,68,57,884

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

Ankit

CA Ankit Rathi
Partner



PLACE: MUMBAI
DATE: 01.12.2020

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED



Hiren

Hirenkumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 01.12.2020

Rasiklal

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR YEAR ENDED 31ST MARCH, 2020

Particulars	Note No.	Amount as at 31st March 2020	Amount as at 31st March 2019
Revenue:			
Revenue From Operations (Net of Taxes)	13	34,26,04,144	38,03,12,356
Income From Non-Operation (Net of Taxes)	14	15,76,979	7,08,433
Total Revenue		34,41,81,123	38,10,20,789
Expenses:			
Direct Service Expense	15	31,57,28,046	36,38,09,167
Employment Benefit Cost	16	1,47,45,885	57,93,879
Finance Cost	17	44,89,571	30,68,281
Other Expenses	18	64,09,476	65,56,115
Depreciation	8	7,19,748	8,28,678
Total Expenses		34,20,92,727	38,00,56,120
Profit Before Tax - PBT		20,88,397	9,64,669
Tax expense:			
(1) Income Tax Provision			
Current Tax		2,62,808	1,96,241
Excess / Short Provision		-	-
(2) Deferred tax		47,996	41,178
Profit/(Loss) for the period After Tax- PAT		18,73,585	8,09,606
No. of Shares		10,000	10,000
Earning per Equity Share:			
(1) Basic		187.36	80.96
(2) Diluted		187.36	80.96

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

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

FOR ADV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN: 128045W | MRN: 162441

Ankit
CA Ankit Rathi
Partner



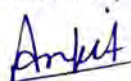


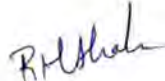
PLACE: MUMBAI
DATE: 01.12.2020

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

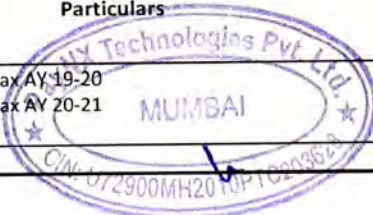


Hiren
Hirenkumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 01.12.2020

RHShah
Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED			
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080			
Corporate Identity Number : U72900MH2010PTC203628			
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2020			
Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
A : Cash flows from operating activities:			
Profit before taxation	(a)	20,88,397	9,64,669
Add: Non Operating Expense			
Depreciation		7,19,748	8,28,678
Interest Expense		44,89,571	30,68,281
Exchange gain/loss on restatement of forex		1,47,338	42,859
	(b)	53,56,658	39,39,818
Less: Non Operating Income			
Interest Income		15,76,979	7,08,433
	(c)	15,76,979	7,08,433
Operating profit before working capital changes	d=(a+b-c)	58,68,075	41,96,054
Working Capital Changes:			
Decrease /(Increase) In Trade Receivables		20,14,82,553	16,83,24,962
Decrease/(Increase) in Loans & Advances (Assets)		4,41,96,371	10,72,242
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		28,80,138	5,32,067
Increase /(Decrease) in Other Long Term Liabilities		-	-
Increase /(Decrease) in Trade Payables		86,36,509	4,74,40,423
Increase /(Decrease) in Other Current Liabilities		2,30,033	40,271
Increase /(Decrease) in Provisions		1,14,482	1,30,933
	(e)	14,61,14,051	21,75,40,898
Cash generated from operations	(d+e)	15,19,82,126	21,33,44,844
Taxes Paid		2,14,812	1,55,063
Net cash used in operating activities	(A)	15,17,67,314	21,34,99,907
B : Cash flows from investing activities:			
Interest & Other Income		15,76,979	7,08,433
Non-Current Investment in WOS - US		-	-
Fixed Assets Addition		2,40,148	7,88,041
Net cash Generated from investing activities	(B)	13,36,831	79,608
C : Cash Flows from financing activities:			
Increase in borrowing		14,79,76,384	21,37,50,889
Interest Expenses		44,89,571	30,68,281
Fixed Deposit		-	-
Net cash generated from financing activities	(C)	15,24,65,955	21,06,82,607
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	6,38,189	28,96,907
E : Cash and Cash equivalents at beginning of period	(E)	1,08,33,796	1,37,30,703
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	1,14,71,985	1,08,33,796
NOTES TO ACCOUNTS			
1			
Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement			
This is the Statement of Assets and Liabilities referred to in our Report of even date.			
FOR ADV & ASSOCIATES		FOR PAYNX TECHNOLOGIES PRIVATE LIMITED	
CHARTERED ACCOUNTANTS			
FRN: 128045W MRN: 162441			
			
CA Ankit Rath Partner		Hirenkumar Shah Director DIN: 00092739 PLACE: MUMBAI DATE: 01.12.2020	Rasiklal Shah Director DIN: 00091585
PLACE: MUMBAI DATE: 01.12.2020			

PAYNX TECHNOLOGIES PRIVATE LIMITED			
<i>Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2020</i>			
Note 2: Share Capital			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	<u>AUTHORIZED CAPITAL</u> 10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
		1,00,000	1,00,000
	<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u> <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
	Total Value in INR	1,00,000	1,00,000
Note 3: Reserve & Surplus			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	<u>(a) Suplus from Profit & Loss Account</u>		
	Opening Balances	39,09,732	30,03,198
	Add: Profit/(Loss) for the period	18,73,585	8,09,606
	Forex Revaluation Reserve	2,10,876	96,927
	Total Value in INR	59,94,193	39,09,732
Note 4: Short Term Borrowings			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	<u>Unsecured</u>		
	<u>(a) Loan from Related Parties</u>		
	Loan From Directors	1,80,926	1,59,094
	Loan From Other Related Parties	6,69,68,895	21,71,62,798
	<u>Unsecured</u>		
	<u>(b) Loans and advances from Banks</u>	85,55,799	63,60,112
	Total Value in INR (A+B)	7,57,05,620	22,36,82,004
Note 5: Trades Payable			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Sundry Creditors	6,33,74,646	7,37,52,750
	Advance from Customers	67,85,001	50,43,406
	Total Value in INR	7,01,59,647	7,87,96,156
Note 6: Other Current Liabilities			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	<u>Statutory Remittance</u>		
	GST	-	-
	Provident Fund Payable	1,08,480	32,484
	TDS	2,62,862	1,07,148
	Other Statutory Liability	-	1,677
	Total Value in INR	3,71,342	1,41,309
Note 7: Short Term Provisions			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Provision for Income Tax AY 19-20	-	1,96,241
	Provision for Income Tax AY 20-21	2,62,808	-
	Other Provisions	80,356	32,441
	Total Value in INR	3,43,164	2,28,682



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March 2020

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Rate	Gross Block				Depreciation				Net Block		
			Value at the beginning	Addition during the year	Deduction during the year	Forex revaluation	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Forex revaluation	Value at the end	Closing Value as on 31.03.2020
1	Tangible Assets												
1	Data Computers, Laptops, Data Servers & Peripherals		28,19,457	77,014	-	31,826	29,28,297	17,38,039	4,70,677	-	16,284	22,25,000	10,81,418
2	Furniture & Fixtures		8,78,092	1,63,134	-	-	10,41,226	1,75,257	2,40,084	-	-	4,15,341	7,02,835
3	Office Equipments		49,001	-	-	-	49,001	26,603	8,987	-	-	35,590	22,398
	Total Value in INR		37,46,550	2,40,148	-	31,826	40,18,524	19,39,899	7,19,748	-	16,284	26,75,931	18,06,651
	Previous Year Figures		29,37,721	7,88,041	-	20,788	37,46,550	11,03,324	8,28,678	-	7,898	19,39,899	18,34,397



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2020

Note 9: Trade Receivables

	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Trade Receivables, Outstanding for Less than Six Months		
	Related Party	-	-
	Others	7,09,45,691	27,24,28,244
	Total Value in INR	7,09,45,691	27,24,28,244

Note 10 : Cash & Cash Equivalent

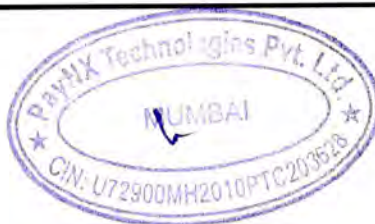
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Cash Balance	6,618	2,118
	Fixed Deposit	75,09,296	70,63,492
	Bank Balances	39,56,071	37,68,186
	Total Value in INR	1,14,71,985	1,08,33,796

Note 11 : Short Terms Loans and Advances

	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Loans and advances to related parties	6,09,43,293	1,74,52,720
	Loan to Staff	83,334	64,700
	Balance with Revenue Authorities		
	TDS Receivable	1,60,731	2,13,969
	GST Receivable	39,09,712	31,69,311
	Total Value in INR	6,50,97,070	2,09,00,700

Note 12 : Other Current Assets

	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Rent Deposit	8,50,000	8,50,000
	Advance to Vendors	29,12,205	32,067
	Total Value in INR	37,62,205	8,82,067



PAYNX TECHNOLOGIES PRIVATE LIMITED			
<i>Notes Forming Part of the Consolidated Profit & Loss Accounts as at 31st March, 2020</i>			
Note 13: Revenue From Operations			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Sale of services	34,26,04,144	38,03,12,356
	Total Value in INR	34,26,04,144	38,03,12,356
Note 14 : Income From Non Operation			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Other Income	1,000	2,39,031
	Foreign Exchange Gain	-	-
	Interest on Loans	-	-
	Interest on FD	15,75,979	4,69,402
	Income Tax Refund	-	-
	Total Value in INR	15,76,979	7,08,433
Note 15 : Direct Service Expenses			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Search Ads	55,07,895	1,27,00,733
	Purchase of Services	30,94,81,838	35,04,74,596
	Hosting & Domain Purchase	6,12,679	5,45,431
	Media Fees Payment	-	-
	Software & Services	1,25,634	88,407
	Total Value in INR	31,57,28,046.11	36,38,09,167.18
Note 16 : Employment Benefit Cost			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Salaries and Incentives	1,39,03,885	49,51,879
	Directors Remuneration	8,42,000	8,42,000
	Total Value in INR	1,47,45,885	57,93,879
Note 17 : Finance Cost			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Interest Expenses		
	Interest on Loan	17,50,410	7,23,130
	Foreign Exchange Gain/Loss	1,42,738	94,037
	Bank Charges	25,96,423	24,39,188
	Total Value in INR	44,89,571	30,68,281
Note 18 : Other Expenses			
	Particulars	Amount as at 31st March 2020	Amount as at 31st March 2019
	Repairs & Maintenance	82,194	30,136
	Local Conveyance	15,148	39,415
	Travel-International	61,891	-
	Administration Expense	-	-
	Audit Fees	50,000	-
	Bad Debts	-	-
	Office Expenses	1,49,019	3,80,561
	Professional/Legal Fees	3,05,651	4,80,908
	SBC Paid on Input @ 0.5%	-	-
	Interest on Late Payment of TDS	9,568	20,502
	Interest on Late Payment of Service Tax / GST	89,785	15,668
	Interest on Income Tax	-	-
	Insurance Expense	8,494	8,496
	Profession Tax - Company	1,47,006	2,500
	Sundry Balance W/off	11,163	-
	Content Writing Charges	3,500	1,81,818
	Rent, Rates & Taxes	39,64,248	31,76,814
	Selling & Marketing Expenses	4,94,405	14,48,924
	Internet Expenses	14,994	-
	Corporate Tax - City	3,30,369	4,03,229
	Corporate Tax - State	2,24,513	3,280
	Corporate Tax - Federal	57,802	75,503
	Rounding Off	6,561	40,237
	Recruitment Expenses	-	55,015
	Software Expenses	64,526	93,532
	Utility Expenses	3,31,760	1,80,050
	Total Value in INR	64,09,476	65,56,115



BACKGROUND:

PayNX Technologies Private Limited (the Company) f.k.a Vokut Exchange Private Limited and Infraster Solutions Private Limited was incorporated on June 02, 2010. These are the consolidated financial statements prepared for the Company and they relate to the period from April 1, 2019 to March 31, 2020. The Company provides programmatic online advertising services and other allied services to domestic/ overseas clients.

These consolidated financials include unaudited balance sheet of its subsidiaries and/or step-down subsidiaries, located in US as on the date of this report.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:**i. Basis of preparation of the consolidated financial statements:**

The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable, Indian Accounting Standards ('Ind AS')/guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

All amounts included in the consolidated financial statements are reported in millions of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

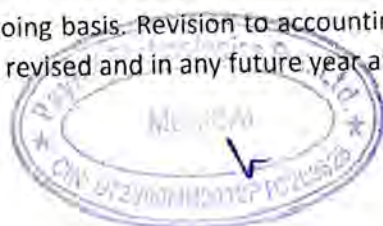
ii. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements include the financial statements of PayNX and all its subsidiaries, which are more than 100% owned or controlled. The financial statements of the parent company and its majority owned/controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealized gain/loss.
- The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

iii. Use of Estimates:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.



iv. Fixed Assets:

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. During the period under review no intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

v. Investments:

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vi. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

vii. Revenue Recognition:

The Company derives revenue primarily from online media advertising and other related services and other products.

a) Services:

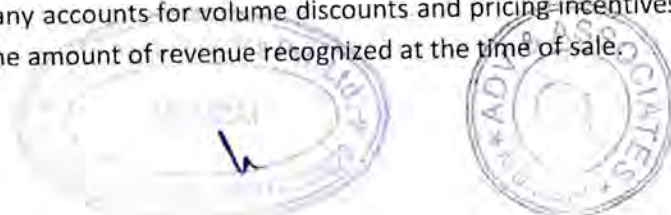
The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and Materials Contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered. Unbilled revenues included in other current assets represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

B. Others:

- The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.



- Revenues are shown net of sales tax, value added tax, goods & service tax and applicable discounts and allowances.
- Contract expenses are recognized as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

b) Products:

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Other Income:

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

viii. Leases:

The Company have its office premises on lease and paid the lease on time as per the Lease Agreement from time to time, subject to TDS provisions laid under the Income Tax Act, 1961 and other allied acts as applicable at time being in force.

ix. Foreign currency transactions

a) Transaction:

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted at the exchange rates prevailing on the date of transaction.

b) Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognized in the statement of profit and loss, except for the exchange difference arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment in a non-integral foreign operation. Such exchange differences are subsequently recognized in the statement of profit and loss on occurrence of the underlying hedged transaction or on disposal.

c) Integral Operations:

Monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are recognized in the statement of profit and loss.

d) Non-Integral Operations:

Assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange



rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve. On the disposal of a non-integral foreign operation, the cumulative balance of Foreign Exchange Gain /(Loss) which relates to that operation is recognized in the statement of profit and loss.

The amended Ind AS 21 provides an irrevocable option to the Company to amortize exchange rate fluctuation on long term foreign currency monetary asset/liability over the life of the asset/liability or March 31, 2021, whichever is earlier. The amendment is applicable retroactively from the financial year beginning on or after December 7, 2006.

The Company did not elect to exercise the option.

x. Depreciation and Amortization

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of Asset	Estimated Useful Life
Computer Equipment's (Data Computers & Servers)	3 – 6 years
Furniture and Fixtures	5 – 10 years
Office Equipment	5 years
Vehicles	8 years
Intangible Assets – Ingenious Plex Platform	8 years

For the class of assets, based on technical assessment, management believes that the useful lives as given above best represents the period over which assets are expected to be used. No assets under finance lease subject to amortization over their estimated useful life or the lease term, whichever is lower.

xi. Employee Benefits

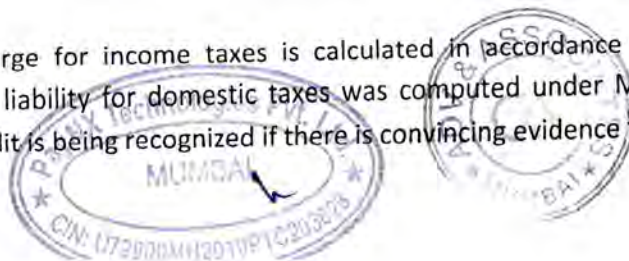
Provident Fund and Social Security Benefit:

Employees receive benefits of the provident fund and other social security as per the governmental laws and regulation of time being in force. The Company have paid all its statutory liability towards its employee in timely manner and there are no pending dues as on date. The employee and employer each make periodic contributions to the plan. A portion of the contribution is made to the employee's provident fund, while the remainder of the contribution is made to the government administered pension fund.

xii. Taxes

a) Income tax:

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes was computed under Minimum Alternate Tax (MAT). MAT credit is being recognized if there is convincing evidence that the Company will



pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

b) Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the group.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

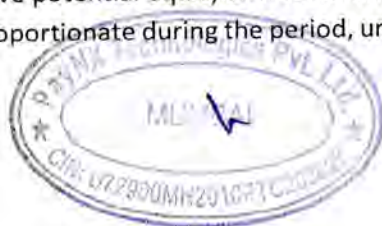
The Company offsets, on a year on year basis, its current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xiii. Earnings Per Share:**a) Basic:**

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trust.

b) Diluted:

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the proportionate during the period, unless issued at a later date. The number



of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

xiv. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

xv. Related Party Transactions:

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

Name of Related Parties	Relationship	Nature of Transaction	FY 2019-20		FY 2018-19	
			Net-off Amount of Transactions for FY 2019-20	Net-off Amount of Transactions for FY 2019-20	Net-off Amount of Transactions for FY 2018-19	Amount Outstanding as on 31.03.2018 (Payable) / Receivable
Mr. Hirenkumar Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	3,52,79,777	3,52,79,777	Nil	Nil
Mr. Ashish Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(14,294)	(1,73,388)	(1,59,094)	(1,59,094)
Mr. Rasiklal Shah	Director	Managerial Remuneration	4,21,000	(8,42,000)	4,21,000	(4,21,000)
Mrs. Rajanben Shah	Director	Managerial Remuneration	4,21,000	(8,42,000)	4,21,000	(4,21,000)
Mrs. Gunja Shah	Relative of Director	Loan	(5,039)	(11,956)	(413)	(6,917)
Mrs. Archana Shah	Relative of Director	Purchases	Nil	(19,01,998)	19,21,211	(19,01,998)
Vertoz Advertising Limited	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	Nil	33,08,273	Nil
		Purchases	51,95,980	(30,30,415)	44,11,004	Nil
Adzurite Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	3,24,248	3,18,753	Nil	Nil
		Loan	4,02,539	4,02,539	Nil	Nil
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	32,57,592	68,02,046	33,91,215	58,68,908
		Purchases	28,37,075	(1,07,266)	42,127	(30,799)
		Loan	(64,57,036)	(1,57,46,279)	(83,52,592)	(92,89,243)

PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2020

Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	15,87,648	(5,96,692)	14,83,788	(1,23,649)
		Loan	(41,93,435)	17,56,039	11,57,722	59,49,474
Vertoz Advertising FZ-LLC	Sister Concern where Promoters/ Directors having significant control	Sales	65,00,300	Nil	Nil	Nil
		Purchases	4,29,72,826	(1,48,78,418)	3,15,57,113	(45,91,697)
		Loan	5,66,13,323	(3,354)	(5,66,16,677)	(5,66,16,677)
Vertoz Limited	Sister Concern where Promoters/ Directors having significant control	Sales	1,53,27,214	Nil	1,68,74,514	Nil
		Purchases	2,33,24,087	(25,39,918)	1,98,44,323	(69,71,473)
		Loan	1,48,46,061	(6,94,558)	(1,55,40,619)	(1,55,40,619)
Vertoz Inc	Sister Concern where Promoters/ Directors having significant control	Sales	30,01,068	28,90,436	57,21,250	53,883
		Purchases	2,44,23,608	(6,13,559)	12,87,08,643	(2,99,13,436)
		Loan	11,43,62,717	8,06,531	(11,18,97,561)	(11,35,56,186)
AdMozart Inc	Sister Concern where Promoters/ Directors having significant control	Sales	6,54,49,596	10,95,840	Nil	Nil
		Purchases	10,35,59,266	(61,55,431)	Nil	Nil
AdZurite Inc	Sister Concern where Promoters/ Directors having significant control	Sales	3,92,536	4,08,834	Nil	Nil
AdNet Hoildings Inc	Sister Concern where Promoters/ Directors having significant control	Loan	37,768	37,768	Nil	Nil
PubNx Inc	Sister Concern where Promoters/ Directors having significant control	Sales	10,693	17,933	11,436	11,448
Zkraft Inc	Sister Concern where Promoters/ Directors having significant control	Sales	694	1,447	624	624

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Mush
HIRENKUMAR SHAH
 DIRECTOR
 DIN: 00092739

PLACE: MUMBAI
 DATE: 01/12/2020





INDEPENDENT AUDITOR'S REPORT

To the Members of
PAYNX TECHNOLOGIES PRIVATE LIMITED
Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **PAYNX TECHNOLOGIES PRIVATE LIMITED** (*"the Holding Company"*) and its subsidiaries which comprise the Statement of Assets & Liabilities as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 Consolidated 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the



disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 its Profit/Loss and its Cash Flow for the year ended on that date.

Other Matter

We did not audit the financial statements / financial information of the subsidiaries, whose financial statements/financial information as at 31st March, 2019 are as below;

Company	Total Assets	Total Revenue	Net Profit/Loss	Cash and Cash Equivalents
Admeridian Inc. – USA	₹ 8,96,77,790	₹ 8,92,99,930	₹ 88,306	₹ 6,32,049
Hueads Inc. – USA	₹ 8,29,90,171	₹ 10,46,30,681	₹ 87,617	₹ 8,33,552
OwnRegistrar Inc. – USA	₹ 11,75,097	₹ 1,65,42,763	₹ 99,847	₹ 9,98,710
Qualispace Inc. – USA	₹ 1,40,49,876	₹ 2,73,02,355	₹ 38,021	₹ 2,44,468
Vokut Inc. – USA	₹ 9,78,10,166	₹ 15,05,81,352	₹ 92,310	₹ 6,86,361
Total	₹ 28,57,03,100	₹ 38,83,57,081	₹ 4,06,102	₹ 33,95,140

(* the above figures are on identical standalone basis and contains eliminatory effect of the inter group related party transactions and the same has been eliminated from consolidated financial statements.)

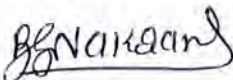
Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other Legal and Regulatory Requirements



1. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Statement of Assets & Liabilities, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of 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.
2. 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".
3. 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:
 - The Company does not have any pending litigations which would impact its financial position.
 - 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.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Nakrani & Co.
Chartered Accountants



CA. Bharat s Patel
Proprietor
FRN: 130078W | MRN: 132078
Place: Thane
Date: 30/06/2019



“Annexure A” to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of PayNX Technologies Private Limited

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 PayNX Technologies Private Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s Policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

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

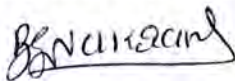
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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.

For Nakrani & Co.
Chartered Accountants



CA. Bharat s Patel
Proprietor
FRN: 130078W | MRN: 132078
Place: Thane
Date: 30/06/2019



PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2019

Particulars	Note No.	Amount as at 31st March 2019	Amount as at 31st March 2018
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	1,00,000	1,00,000
(b) Reserves and Surplus	3	39,09,732	30,03,198
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings		-	-
(b) Other Long Term Liabilities		-	34,752
(c) Deferred Tax Liabilities		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings	4	22,36,82,004	99,31,115
(b) Trade Payables	5	7,87,96,156	12,62,36,579
(c) Other Current Liabilities	6	1,41,309	1,81,580
(d) Short-Term Provisions	7	2,28,682	3,59,616
Total Equity & Liabilities		30,68,57,884	13,98,46,840
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block		37,46,550	29,37,721
(ii) Depreciation		19,39,899	11,03,324
(iii) Net Block		18,06,651	18,34,397
(b) Non-Current Investments		6,426	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans And Advances		-	-
(2) Current Assets			
(a) Inventories	9	27,24,28,244	10,41,03,282
(b) Trade Receivables	10	1,08,33,796	1,37,30,703
(c) Cash and Cash Equivalents	11	2,09,00,700	1,98,28,458
(d) Short-Term Loans And Advances	12	8,82,067	3,50,000
(e) Other Current Assets		-	-
Total Assets		30,68,57,884	13,98,46,840

NOTES TO ACCOUNTS

1

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Assets and Liabilities referred to in our Report of even date.

NAKRANI & CO.

CHARTERED ACCOUNTANT

FIRM REGISTRATION NO: 130078W

Bharat Patel

BHARAT PATEL
PROPRIETOR

Membership No. : 132078

PLACE: MUMBAI

DATE: 30/06/2019



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah
Hirenkumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 30/06/2019

Rasiklal Shah
Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W)

Corporate Identity Number : U72900MH2010PTC203628

CONSOLIDATED PROFIT AND LOSS STATEMENT AS ON 31ST MARCH, 2019

Particulars	Note No.	Amount as at 31st March 2019	Amount as at 31st March 2018
Revenue:			
Revenue From Operations (Net of Taxes)	13	38,03,12,356	26,48,19,951
Income From Non-Operation (Net of Taxes)	14	7,08,433	45,75,765
Total Revenue		38,10,20,789	26,93,95,716
Expenses:			
Direct Service Expense	15	36,38,09,167	25,75,82,759
Employment Benefit Cost	16	57,93,879	35,73,664
Finance Cost	17	30,68,281	25,18,861
Other Expenses	18	65,56,115	36,67,084
Depreciation	8	8,28,678	2,74,069
Total Expenses		38,00,56,120	26,76,16,436
Profit Before Tax - PBT		9,64,669	17,79,279
Tax expense:			
(1) Income Tax Provision		1,96,241	3,29,110
Current Tax		-	10,253
Excess / Short Provision		41,178	26,630
(2) Deferred tax		-	-
Profit/(Loss) for the period After Tax- PAT		8,09,606	14,13,286
No. of Shares		10,000	10,000
Earning per Equity Share:		80.96	141.33
(1) Basic		80.96	141.33
(2) Diluted		-	-

NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Profit & Loss referred to in our Report of even date.

NAKRANI & CO.

CHARTERED ACCOUNTANT

FIRM REGISTRATION NO: 130078W

Bharat Patel
BHARAT PATEL
PROPRIETOR

Membership No. : 132078

PLACE: MUMBAI

DATE: 30/06/2019



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hiren Kumar Shah
Hiren Kumar Shah
Director
DIN: 00092739
PLACE: MUMBAI
DATE: 30/06/2019

Rasiklal Shah

Rasiklal Shah
Director
DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080
Corporate Identity Number : U72900MH2010PTC203628
CONSOLIDATED CASH FLOW STATEMENT AS ON 31ST MARCH, 2019

Particulars	Note No.	Amount As At 31st Mar. 2019	Amount As At 31st Mar. 2018
A : Cash flows from operating activities:			
Profit before taxation	(a)	9,64,669	17,79,279
Add: Non Operating Expense			
Depreciation		8,28,678	2,74,069
Interest Expense		30,68,281	25,18,861
Exchange gain/loss on restatement of forex		42,859	2,914
	(b)	39,39,818	27,95,844
Less: Non Operating Income			
Interest Income	(c)	7,08,433	45,75,765
	(c)	7,08,433	45,75,765
Operating profit before working capital changes	d=(a+b-c)	41,96,054	642
Working Capital Changes:			
Decrease/(Increase) in Trade Receivables		- 16,83,24,962	- 7,95,04,801
Decrease/(Increase) in Loans & Advances (Assets)		- 10,72,242	41,95,986
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		- 5,32,067	2,50,000
Increase/(Decrease) in Other Long Term Liabilities		-	-
Increase/(Decrease) in Trade Payables		- 4,74,40,423	7,15,07,843
Increase/(Decrease) in Other Current Liabilities		40,271	3,69,388
Increase/(Decrease) in Provisions		- 1,30,933	1,98,120
	(e)	- 21,75,40,898	- 42,22,241
Cash generated from operations	(d+e)	21,33,44,844	42,22,882
Taxes Paid		1,55,063	3,39,363
Net cash used in operating activities	(A)	- 21,34,99,907	- 45,62,245
B : Cash flows from investing activities:			
Interest & Other Income		7,08,433	45,75,765
Non-Current Investment in WOS - US		-	-
Fixed Assets Addition		- 7,88,041	- 20,64,866
Net cash Generated from investing activities	(B)	- 79,608	25,10,899
C : Cash Flows from financing activities:			
Increase in borrowing		21,37,50,889	69,89,498
Interest Expenses		- 30,68,281	- 25,18,861
Fixed Deposit		-	-
Net cash generated from financing activities	(C)	21,06,82,607	44,70,637
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	28,96,907	24,19,291
E : Cash and Cash equivalents at beginning of period	(E)	1,37,30,703	1,13,11,412
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	1,08,33,796	1,37,30,703

NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

NAKRANI & CO.

CHARTERED ACCOUNTANT

FIRM REGISTRATION NO:130078W

Bharat S Patel

Bharat S Patel
Proprietor

Membership No. :132078

PLACE: THANE

DATE: 30/06/2019



FOR PAYNX TECHNOLOGIES PRIVATE LIMITED

Hirenkumar Shah

Hirenkumar Shah
Director

DIN: 00092739

PLACE: MUMBAI

DATE: 30/06/2019

Rasiklal Shah

Rasiklal Shah

Director

DIN: 00091585

PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March 2019

Note 9: Trade Receivables			
	Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
	<u>Trade Receivables, Outstanding for Less than Six Months</u>	-	-
	Related Party	27,24,28,244	10,41,03,282
	Others		
	Total Value in INR	27,24,28,244	10,41,03,282
Note 10 : Cash & Cash Equivalent			
	Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
	Cash Balance	2,118	2,703
	Fixed Deposit	70,63,492	66,41,031
	Bank Balances	37,68,186	70,86,969
	Total Value in INR	1,08,33,796	1,37,30,703
Note 11 : Short Terms Loans and Advances			
	Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
	Loans and advances to related parties	1,74,52,720	1,68,69,129
	Loan to Staff	64,700	1,14,700
	<u>Balance with Revenue Authorities</u>	-	-
	TDS Receivable	2,13,969	3,39,467
	GST Receivable	31,69,311	25,05,161
	Total Value in INR	2,09,00,700	1,98,28,458
Note 12 : Other Current Assets			
	Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
	Rent Deposit	8,50,000	3,50,000
	Advance to Vendors	32,067	-
	Total Value in INR	8,82,067	3,50,000



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March 2019

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Gross Block				Depreciation				Net Block			
		Value at the beginning	Addition during the year	Deduction during the year	Forex revaluation	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Forex revaluation	Value at the end	Closing Value as on 31.03.2019	Closing Value as on 31.03.2018
I	Tangible Assets												
1	Data Computers, Laptops, Data Servers & Peripherals	26,83,909	1,14,760	-	20,788	28,19,457	10,21,779	7,08,363	-	7,898	17,38,039	10,81,418	16,62,130
2	Furniture & Fixtures	2,25,518	6,52,574	-	-	8,78,092	56,811	1,18,446	-	-	1,75,257	7,02,835	1,68,707
3	Office Equipments	28,294	20,707	-	-	49,001	24,734	1,869	-	-	26,603	22,398	3,560
	Total Value in INR	29,37,721	7,88,041	-	20,788	37,46,550	11,03,324	8,28,678	-	7,898	19,39,899	18,06,651	18,34,397
	Previous Year Figures	8,72,855	20,64,866	-	-	29,37,721	8,29,214	2,74,069	-	41	11,03,324	18,34,397	43,641



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2019

Note 2: Share Capital

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
AUTHORIZED CAPITAL 10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
	1,00,000	1,00,000
ISSUED, SUBSCRIBED & PAID UP CAPITAL To the Subscribers of the Memorandum Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
Total Value in INR	1,00,000	1,00,000

Note 3 : Reserve & Surplus

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
(a) Suplus from Profit & Loss Account		
Opening Balances	30,03,198	15,87,039
Add: Profit/(Loss) for the period	8,09,606	14,13,286
Forex Revaluation Reserve	96,927	2,873
Total Value in INR	39,09,732	30,03,198

Note 4 : Short Term Borrowings

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Unsecured		
(a) Loan from Related Parties		
Loan From Directors	1,59,094	1,30,088
Loan From Other Related Parties	21,71,62,798	34,01,001
Unsecured		
(b) Loans and advances from Banks	63,60,112	64,00,027
Total Value in INR (A+B)	22,36,82,004	99,31,115

Note 5 : Trades Payable

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Sundry Creditors	7,37,52,750	12,21,80,457
Advance from Customers	50,43,406	40,56,122
Total Value in INR	7,87,96,156	12,62,36,579

Note 6 : Other Current Liabilities

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Statutory Remittance		
GST	-	-
Provident Fund Payable	32,484	-
TDS	1,07,148	1,81,580
Other Statutory Liability	1,677	-
Total Value in INR	1,41,309	1,81,580

Note 7 : Short Term Provisions

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Provision for Income Tax	1,96,241	3,59,616
Other Provisions	32,441	-
Total Value in INR	2,28,682	3,59,616



PAYNX TECHNOLOGIES PRIVATE LIMITED

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2019

Note 13: Revenue From Operations

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Sale of services	38,03,12,356	26,48,19,951
Total Value in INR	38,03,12,356	26,48,19,951

Note 14 : Income From Non Operation

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Other Income	2,39,031	10,995
Foreign Exchange Gain	-	26,81,918
Interest on Loans	-	13,38,851
Interest on FD	4,69,402	5,44,001
Total Value in INR	7,08,433	45,75,765

Note 15 : Direct Service Expenses

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Search Ads	1,27,00,733	-
Purchase of Services	35,04,74,596	25,69,64,599
Hosting & Domain Purchase	5,45,431	4,61,104
Media Fees Payment	-	-
Software & Services	88,407	1,57,056
Total Value in INR	36,38,09,167.18	25,75,82,758.77

Note 16 : Employment Benefit Cost

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
Salaries and Incentives	49,51,879	35,73,664
Directors Remuneration	8,42,000	-
Total Value in INR	57,93,879	35,73,664

Note 17 : Finance Cost

Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
<u>Interest Expenses</u>		
Interest on Loan	7,23,130	6,97,132
Foreign Exchange Gain/Loss	94,037	70,339
Bank Charges	24,39,188	17,51,390
Total Value in INR	30,68,281	25,18,861



Note 18 : Other Expenses			
	Particulars	Amount as at 31st March 2019	Amount as at 31st March 2018
	Repairs & Maintenance	30,136	1,64,012
	Local Conveyance	39,415	28,650
	Travel-International	-	4,75,908
	Administration Expense	-	805
	Audit Fees	-	1,29,954
	Bad Debts	-	-
	Office Expenses	3,80,561	1,88,500
	Professional/Legal Fees	4,80,908	3,82,498
	SBC Paid on Input @ 0.5%	-	1,605
	Interest on Late Payment of TDS	20,502	167
	Interest on Late Payment of Service Tax / GST	15,668	6,824
	Interest on Income Tax	-	-
	Insurance Expense	8,496	24,939
	Profession Tax - Company	2,500	2,500
	Sundry Balance W/off	-	14,703
	Content Writing Charges	1,81,818	-
	Rent, Rates & Taxes	31,76,814	20,15,180
	Selling & Marketing Expenses	14,48,924	-
	Internet Expenses	-	10,849
	Corporate Tax - City	4,03,229	28,200
	Corporate Tax - State	3,280	24,951
	Corporate Tax - Federal	75,503	68,291
	Rounding Off	40,237	4,920
	Recruitment Expenses	55,015	-
	Software Expenses	93,532	21,507
	Utility Expenses	1,80,050	81,960
	Total Value in INR	65,56,115	36,67,084



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended **31st March, 2019**

BACKGROUND:

PayNX Technologies Private Limited (the Company) f.k.a **Vokut Exchange Private Limited** and **Infraster Solutions Private Limited** was incorporated on **June 02, 2010**. These are the consolidated financial statements prepared for the Company and they relate to the period from **April 1, 2018** to **March 31, 2019**. The Company provides programmatic online advertising services and other allied services to domestic/ overseas clients.

These consolidated financials include unaudited balance sheet of its subsidiaries and/or step-down subsidiaries, located in US as on the date of this report.

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES:**i. Basis of preparation of the consolidated financial statements:**

The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured on a fair value basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable, Indian Accounting Standards ('Ind AS')/guidance notes issued by the Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principles in India.

All amounts included in the consolidated financial statements are reported in millions of Indian rupees except share and per share data, unless otherwise stated. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

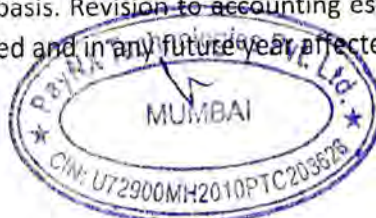
ii. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

- The consolidated financial statements include the financial statements of PayNX and all its subsidiaries, which are more than 100% owned or controlled. The financial statements of the parent company and its majority owned/controlled subsidiaries which are drawn up to the same reporting date have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances/transactions and resulting unrealized gain/loss.
- The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

iii. Use of Estimates:

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements and reported amounts of income and expenses during the year. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2019

iv. Fixed Assets:

Tangible assets are stated at historical cost less accumulated depreciation and impairment loss, if any. Costs include expenditure directly attributable to the acquisition of the asset. Borrowing costs directly attributable to the construction or production of qualifying assets are capitalized as part of the cost. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. During the period under review no intangible assets are stated at the consideration paid for acquisition less accumulated amortization and impairment loss, if any.

v. Investments:

Non-current investments are stated at cost less other than temporary diminution in the value of such investments, if any. Current investments are valued at lower of cost and fair value determined by category of investment. The fair value is determined using quoted market price/market observable information adjusted for cost of disposal. On disposal of the investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

vi. Provisions and Contingent Liabilities:

Provisions are recognized when the Company has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

vii. Revenue Recognition:

The Company derives revenue primarily from online media advertising and other related services and other products.

a) Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and collectability is reasonably assured. The method for recognizing revenues and costs depends on the nature of the services rendered:

A. Time and Materials Contracts:

Revenues and costs relating to time and materials contracts are recognized as the related services are rendered. Unbilled revenues included in other current assets represent cost and earnings in excess of billings as at the end of the reporting period. 'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized. Advance payments received from customers for which no services have been rendered are presented as 'Advance from customers'.

B. Others:

- The Company accounts for volume discounts and pricing incentives to customers by reducing the amount of revenue recognized at the time of sale.



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2019

- o Revenues are shown net of sales tax, value added tax, goods & service tax and applicable discounts and allowances.
- o Contract expenses are recognized as expenses by reference to the stage of completion of contract activity at the end of the reporting period.

b) Products:

Revenue from products are recognized when the significant risks and rewards of ownership have been transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Other Income:

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

viii. Leases:

The Company have its office premises on lease and paid the lease on time as per the Lease Agreement from time to time, subject to TDS provisions laid under the Income Tax Act, 1961 and other allied acts as applicable at time being in force.

ix. Foreign currency transactions**a) Transaction:**

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted at the exchange rates prevailing on the date of transaction.

b) Translation:

Monetary foreign currency assets and liabilities at period-end are translated at the exchange rate prevailing at the date of Balance Sheet. The difference arising from the translation is recognized in the statement of profit and loss, except for the exchange difference arising on monetary items that qualify as hedging instruments in a cash flow hedge or hedge of a net investment in a non-integral foreign operation. Such exchange differences are subsequently recognized in the statement of profit and loss on occurrence of the underlying hedged transaction or on disposal.

c) Integral Operations:

Monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate. The items in the statement of profit and loss are translated at the average exchange rate during the period. The differences arising out of the translation are recognized in the statement of profit and loss.

d) Non-Integral Operations:

Assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the statement of profit and loss are translated at the average exchange



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2019

rate during the period. The differences arising out of the translation are transferred to foreign currency translation reserve. On the disposal of a non-integral foreign operation, the cumulative balance of Foreign Exchange Gain /(Loss) which relates to that operation is recognized in the statement of profit and loss.

The amended Ind AS 21 provides an irrevocable option to the Company to amortize exchange rate fluctuation on long term foreign currency monetary asset/liability over the life of the asset/liability or March 31, 2021, whichever is earlier. The amendment is applicable retroactively from the financial year beginning on or after December 7, 2006.

The Company did not elect to exercise the option.

x. Depreciation and Amortization

The Company has provided for depreciation using straight line method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013 except in the case of following assets which are depreciated based on useful lives estimated by the Management:

Class of Asset	Estimated Useful Life
Computer Equipment's (Data Computers & Servers)	3 – 6 years
Furniture and Fixtures	5 – 10 years
Office Equipment	5 years
Vehicles	8 years
Intangible Assets – Ingenious Plex Platform	8 years

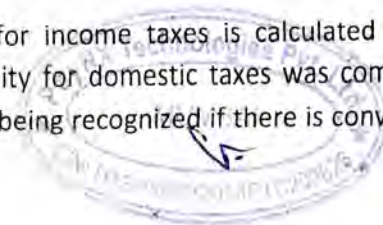
For the class of assets, based on technical assessment, management believes that the useful lives as given above best represents the period over which assets are expected to be used. No assets under finance lease subject to amortization over their estimated useful life or the lease term, whichever is lower.

xi. Employee Benefits***Provident Fund and Social Security Benefit:***

Employees receive benefits of the provident fund and other social security as per the governmental laws and regulation of time being in force. The Company have paid all its statutory liability towards its employee in timely manner and there are no pending dues as on date. The employee and employer each make periodic contributions to the plan. A portion of the contribution is made to the employee's provident fund, while the remainder of the contribution is made to the government administered pension fund.

xii. Taxes**a) *Income tax:***

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Tax liability for domestic taxes was computed under Minimum Alternate Tax (MAT). MAT credit is being recognized if there is convincing evidence that the Company will



PayNX GROUP

Notes forming part of the Consolidated Financial Statements for the period ended 31st March, 2019

pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions being over and above regular tax liability can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

b) Deferred Tax:

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profit offered for income taxes and the profit as per the financial statements of each entity in the group.

Deferred taxes are recognized in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period. For this purpose, reversal of timing difference is determined using first in first out method.

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. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the enactment/substantive enactment date.

Deferred tax assets on timing differences are recognized only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognized only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Deferred tax assets are reassessed for the appropriateness of their respective carrying amounts at each balance sheet date.

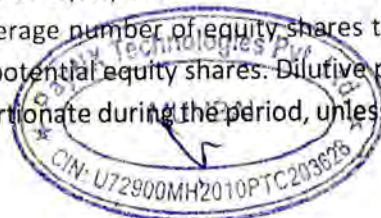
The Company offsets, on a year on year basis, its current and non-current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

xiii. Earnings Per Share:**a) Basic:**

The number of equity shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year excluding equity shares held by controlled trust.

b) Diluted:

The number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the proportionate during the period, unless issued at a later date. The number



of equity shares and potentially dilutive equity shares are adjusted for any stock splits and bonus shares issued.

xiv. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

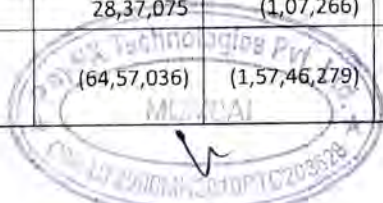
xv. Related Party Transactions:

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:


Name of Related Parties	Relationship	Nature of Transaction	FY 2019-20		FY 2018-19	
			Net-off Amount of Transactions for FY 2019-20	Net-off Amount of Transactions for FY 2019-20	Net-off Amount of Transactions for FY 2018-19	Amount Outstanding as on 31.03.2018 (Payable) / Receivable
Mr. Hirenkumar Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	3,52,79,777	3,52,79,777	Nil	Nil
Mr. Ashish Shah	Director	Managerial Remuneration	Nil	Nil	Nil	Nil
		Loan from Directors	(14,294)	(1,73,388)	(1,59,094)	(1,59,094)
Mr. Rasiklal Shah	Director	Managerial Remuneration	4,21,000	(8,42,000)	4,21,000	(4,21,000)
Mrs. Rajanben Shah	Director	Managerial Remuneration	4,21,000	(8,42,000)	4,21,000	(4,21,000)
Mrs. Gunja Shah	Relative of Director	Loan	(5,039)	(11,956)	(413)	(6,917)
Mrs. Archana Shah	Relative of Director	Purchases	Nil	(19,01,998)	19,21,211	(19,01,998)
Vertoz Advertising Limited	Sister Concern where Promoters/ Directors having significant control	Sales	Nil	Nil	33,08,273	Nil
		Purchases	51,95,980	(30,30,415)	44,11,004	Nil
Adzurite Solutions Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	3,24,248	3,18,753	Nil	Nil
		Loan	4,02,539	4,02,539	Nil	Nil
Qualispace Web Services Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Sales	32,57,592	68,02,046	33,91,215	58,68,908
		Purchases	28,37,075	(1,07,266)	42,127	(30,799)
		Loan	(64,57,036)	(1,57,46,279)	(83,52,592)	(92,89,243)



PayNX GROUPNotes forming part of the Consolidated Financial Statements for the period ended 31st March, 2020

Trunkoz Technologies Pvt Ltd	Sister Concern where Promoters/ Directors having significant control	Rent	15,87,648	(5,96,692)	14,83,788	(1,23,649)
		Loan	(41,93,435)	17,56,039	11,57,722	59,49,474
Vertoz Advertising FZ-LLC	Sister Concern where Promoters/ Directors having significant control	Sales	65,00,300	Nil	Nil	Nil
		Purchases	4,29,72,826	(1,48,78,418)	3,15,57,113	(45,91,697)
		Loan	5,66,13,323	(3,354)	(5,66,16,677)	(5,66,16,677)
Vertoz Limited	Sister Concern where Promoters/ Directors having significant control	Sales	1,53,27,214	Nil	1,68,74,514	Nil
		Purchases	2,33,24,087	(25,39,918)	1,98,44,323	(69,71,473)
		Loan	1,48,46,061	(6,94,558)	(1,55,40,619)	(1,55,40,619)
Vertoz Inc	Sister Concern where Promoters/ Directors having significant control	Sales	30,01,068	28,90,436	57,21,250	53,883
		Purchases	2,44,23,608	(6,13,559)	12,87,08,643	(2,99,13,436)
		Loan	11,43,62,717	8,06,531	(11,18,97,561)	(11,35,56,186)
AdMozart Inc	Sister Concern where Promoters/ Directors having significant control	Sales	6,54,49,596	10,95,840	Nil	Nil
		Purchases	10,35,59,266	(61,55,431)	Nil	Nil
AdZurite Inc	Sister Concern where Promoters/ Directors having significant control	Sales	3,92,536	4,08,834	Nil	Nil
AdNet Hoildings Inc	Sister Concern where Promoters/ Directors having significant control	Loan	37,768	37,768	Nil	Nil
PubNx Inc	Sister Concern where Promoters/ Directors having significant control	Sales	10,693	17,933	11,436	11,448
Zkraft Inc	Sister Concern where Promoters/ Directors having significant control	Sales	694	1,447	624	624

FOR PAYNX TECHNOLOGIES PRIVATE LIMITED


HIRENKUMAR SHAH
 DIRECTOR
 DIN: 00092739

PLACE: MUMBAI
DATE: 01/12/2020

**INDEPENDENT AUDITORS' REPORT**

To

The Members of QUALISPACE WEB SERVICES PRIVATE LIMITED

Report on the audit of the financial statements**Opinion**

We have audited the accompanying financial statements of QUALISPACE WEB SERVICES PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2022, and 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 financial statements give the information required by the Companies Act, 2013 ('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, 2022, its profit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report 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 standalone 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 are 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 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 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.

The board of directors are also 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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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

The provisions of the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company since

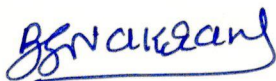
- (a) It is not a subsidiary or holding company of a public company;
- (b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;
- (c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
- (d) Its turnover for the year is not more than Rs.10 Crores during the year.

As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards 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, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- (g) The Company being a private limited company, 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 respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. Nakrani & Co.
Chartered Accountant
Firm Registration No.130078W



Bharat Patel
Proprietor
Membership No. 132078
Place: Thane
Date: 30th May 2022
UDIN: 22132078ALGLXS2912



QUALISPACE WEB SERVICES PVT LTD
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.
Corporate Identity Number : U93000MH2017PTC294200

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2022

(Figures in '000)

Particulars	Note No.	Figures as at the end of current reporting period 2021-22	Figures as at the end of previous reporting Period 2020-21
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	₹ 100.00	₹ 100.00
(b) Reserves and surplus	2	₹ 7,010.97	₹ 3,087.02
(b) Money Received against share warrents		₹ -	₹ -
2 Share application money pending allotments			
		₹ -	₹ -
3 Non-current liabilities			
(a) Long-term borrowings		₹ -	₹ -
(b) Deferred tax liabilities (net)		₹ 100.16	₹ 70.04
(c) Other Long Term Liabilities		₹ -	₹ -
(d) Long term provision		₹ -	₹ -
4 Current liabilities			
(a) Short Term Borrowings	3	₹ 18,330.47	₹ 12,170.01
(b) Trade payables	4		
(A) total outstanding dues of micro enterprises and small enterprises		₹ -	₹ -
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		₹ 2,792.56	₹ 5,853.47
(c) Other current liabilities		₹ -	₹ -
(d) Short-term provisions	5	₹ 2,337.12	₹ 2,327.39
TOTAL		₹ 30,671.28	₹ 23,607.93
B ASSETS			
1 Non-current assets			
(a (i) Property, Plant and Equipment			
(ii) Intangible assets	6	₹ 3,646.02	₹ 2,375.58
(iii) Capital Work in progress		₹ -	₹ -
(iv) Intangible Assets under Development		₹ -	₹ -
(b) Non-current investments		₹ -	₹ -
(c) Deferred Tax Assets		₹ -	₹ -
(d) Long term loans and Advances	7	₹ 50.00	₹ 50.00
(e) Other Non Current Assets		₹ -	₹ -
2 Current assets			
(a) Current Investments		₹ -	₹ -
(b) Inventories		₹ -	₹ -
(c) Trade receivables	8	₹ 2,532.71	₹ 8,703.26
(d) Cash and cash equivalents	9	₹ 549.12	₹ 890.42
(e) Short-term loans and advances	10	₹ 23,893.43	₹ 11,577.67
(f) Other Current Assets		₹ -	₹ 11.00
TOTAL		₹ 30,671.28	₹ 23,607.93

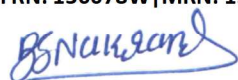
NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement
This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR NAKRANI & CO.

Chartered Accountants

FRN: 130078W | MRN: 132078





Bharat S Patel
Proprietor

Place: THANE

Date: 30th May, 2022

UDIN : 22132078ALGLXS2912



FOR QUALISPACE WEB SERVICES PVT LTD

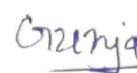

Dimple Shah

Director

DIN: 07788365

PLACE: MUMBAI

Date: 30th May, 2022



Gunja Shah

Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD 602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080. Corporate Identity Number : U93000MH2017PTC294200			
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2022			
(Figures in '000)			
Particulars	Note No.	Figures for the current reporting period 2021-22	Figures for the previous reporting period 2020-21
I Revenue from operations (gross)	11	₹ 51,593.98	₹ 31,331.39
Less: Excise Duty/ GST / Taxes		-	
Revenue from operations (net)		₹ 51,593.98	₹ 31,331.39
II Other Income	12	₹ 216.78	₹ 95.09
III Total Income (I+II)		₹ 51,810.76	₹ 31,426.48
IV Expenses			
(a) Cost of materials consumed	13	₹ 21,987.62	₹ 13,074.87
(b) Employee benefits expenses	14	₹ 19,691.47	₹ 13,805.95
(c) Finance costs	15	₹ 312.42	₹ 314.04
(d) Depreciation and amortisation expenses	6	₹ 1,486.16	₹ 1,403.83
(e) Other expenses	16	₹ 3,088.12	₹ 2,014.62
Total Expenses		₹ 46,565.79	₹ 30,613.31
V Profit before exceptional and extraordinary item and tax		₹ 5,244.97	₹ 813.17
VI Exceptional Items		₹ -	₹ -
VII Profit before extraordinary item and tax		₹ 5,244.97	₹ 813.17
VIII Extraordinary Items		₹ -	₹ -
IX Profit before Tax		₹ 5,244.97	₹ 813.17
X Tax Expense:			
(a) Current tax expense		₹ 1,290.90	₹ 236.00
(b) Excess / Short Provision		₹ -	₹ 177.71
(c) Deferred tax		₹ 30.11	₹ -5.66
XI Profit / (Loss) for the period from continuing operations		₹ 3,923.95	₹ 405.12
XII Profit / (Loss) from discontinuing operations		₹ -	₹ -
XIII Tax from discontinuing operations		₹ -	₹ -
XIV Profit/ (Loss) from discontinuing operations		₹ -	₹ -
XV Profit/ (Loss) for the Period		₹ 3,923.95	₹ 405.12
XVI Earning per equity share:			
(1) Basic		₹ 392.40	₹ 40.51
(2) Diluted		₹ 392.40	₹ 40.51

In terms of our report attached.

FOR NAKRANI & CO.

Chartered Accountants

FRN: 130078W | MRN: 132078

B. S. NAKRANI


Bharat S Patel

Proprietor

Place: THANE

Date: 30th May, 2022

UDIN : 22132078ALGLXS2912



FOR QUALISPACE WEB SERVICES PVT LTD

Dimple Shah
Dimple Shah

Director

DIN: 07788365

PLACE: MUMBAI

Date: 30th May, 2022

Gunja Shah

Gunja Shah

Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD
602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.
Corporate Identity Number : U93000MH2017PTC294200
AUDITED CASH FLOW STATEMENT AS ON 31ST MARCH, 2022

(Figures in '000)

Particulars	Note No.	Figures for the current reporting period	Figures for the previous reporting period
		2021-22	2020-21
A : Cash flows from operating activities:			
Profit before taxation	(a)	₹ 5,244.97	₹ 813.17
Add: Non Operating Expense			
Depreciation		₹ 1,486.16	₹ 1,403.83
Capital Work in Process		₹ -	₹ -
Interest Expense		₹ 312.42	₹ 314.04
	(b)	₹ 1,798.58	₹ 1,717.87
Less: Non Operating Income			
Interest Income	(c)	₹ 216.78	₹ 95.09
		₹ 216.78	₹ 95.09
Operating profit before working capital changes	d=(a+b-c)	₹ 6,826.78	₹ 2,435.95
Working capital changes:			
Decrease/(Increase) In Trade Receivables		₹ 6,170.54	₹ -1,661.26
Decrease/(Increase) in Loans & advances (Assets)		₹ -12,315.76	₹ -7,679.46
Decrease/(Increase) in Inventories		₹ -	₹ -
Decrease/(Increase) in Other Current Assets		₹ 11.00	₹ 11.00
Increase/(Decrease) in Other Long Term Liabilities		₹ -	₹ -
Increase/(Decrease) in Trade Payables		₹ -3,060.91	₹ 2,042.99
Increase/(Decrease) in Other Current Liabilities		₹ -	₹ -2,137.09
Increase/(Decrease) in Provisions		₹ 9.74	₹ 230.40
	(e)	₹ -9,185.39	₹ -9,193.42
Cash generated from operations	(d+e)	₹ -2,358.61	₹ -6,757.47
Taxes paid		₹ -1,290.90	₹ -236.00
Net cash used in operating activities	(A)	₹ -3,649.52	₹ -6,993.47
B : Cash flows from investing activities:			
Fixed asset Purchase		₹ -2,756.60	₹ -782.747
Interest on FD		₹ 216.78	₹ 95.09
Capital Work in Process		₹ -	₹ -
Investment		₹ -	₹ -
Net cash Generated from investing activities	(B)	₹ -2,539.82	₹ -687.66
C : Cash flows from financing activities:			
Increase/(Decrease) in borrowing		₹ 6,160.46	₹ 7,957.31
Interest Expenses		₹ -312.42	₹ -314.04
Issue of Shares		₹ -	₹ -
Net cash generated from financing activities	(C)	₹ 5,848.04	₹ 7,643.26
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	₹ -341.30	₹ -37.86
E : Cash and cash equivalents at beginning of period	(E)	₹ 890.42	₹ 928.29
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	₹ 549.12	₹ 890.42

NOTES TO ACCOUNTS

19

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

FOR NAKRANI & CO.
Chartered Accountants

FRN: 130078W | MRN: 132078



Bharat S Patel

Proprietor

Place: THANE

Date: 30th May, 2022

UDIN : 22132078ALGLXS2912



FOR QUALISPACE WEB SERVICES PVT LTD

Dimple Shah

Director

DIN: 07788365

PLACE: MUMBAI

Date: 30th May, 2022

Gunja Shah

Gunja Shah

Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting period	
	Number of shares	2021-22	Number of shares	2020-21
(a) Authorised 10,000 Equity shares of Rs.10/- each with voting rights	10,000	₹ 100.00	10,000	₹ 100.00
(b) Issued, Subscribed and Paid up 10,000 Equity shares of Rs.10 each with voting rights	10,000	₹ 100.00	10,000	₹ 100.00
Total	10,000	₹ 100.00	10,000	₹ 100.00

List of Shareholders holding more than 5% share capital

Name of Shareholders	No. of Shares	%	Value/Share	Total Value
Mrs. Dimple Hirenkumar Shah	5,000	50%	₹ 10	₹ 50,000
Mrs. Gunja Ashish Shah	5,000	50%	₹ 10	₹ 50,000
TOTAL	10,000	100%		₹ 100,000

NOTE 1A. SHARES HELD BY PROMOTORS

Current Reporting Period				
Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mrs. Dimple H. Shah	5,000	50%	0%
2	Mrs. Gunja A. Shah	5,000	50%	0%

Previous reporting Period				
Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mrs. Dimple H. Shah	5,000	0%	0%
2	Mrs. Gunja A. Shah	5,000	0%	0%

NOTE- 1B. STATEMENTS OF CHANGES IN EQUITY

Current Reporting Period				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
10,000	-	10,000	-	10,000

Previous reporting Period				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
10,000	-	10,000	-	10,000



QUALISPACE WEB SERVICES PVT LTD
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 2 RESERVES AND SURPLUS

(Figures in '000)

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
Opening balance	₹	3,087.02	₹	2,681.90
Add: Profit / (Loss) for the year	₹	3,923.95	₹	405.12
Less:- Loss Due to Change in Rate of Depreciation as per Company Act 2013	₹	-	₹	-
Closing balance	₹	7,010.97	₹	3,087.02
Total	₹	7,010.97	₹	3,087.02

Note 3 SHORT TERM BORROWINGS

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
Loan from Related Parties				
Loan From Directors	₹	3,696.45	₹	3,696.45
Loan From Other Related Parties	₹	14,634.03	₹	8,473.57
TOTAL	₹	18,330.47	₹	12,170.01

Note 5 SHORT TERM PROVISIONS

Particulars	Figures as at the end of current reporting period		Figures as at the end of previous reporting Period	
	2021-22		2020-21	
(a) Provision for employee benefits				
ESI Payable	₹	3.87	₹	2.75
PF Payable	₹	168.99	₹	146.42
Professional Tax	₹	0.60	₹	-
Salary Payable	₹	170.77	₹	968.51
(b) Provision - for TAX				
Provision for Income Tax(Prior Years)	₹	-	₹	-
Provision for Income Tax(Current Years)	₹	1,290.90	₹	236.00
TDS Payable	₹	210.49	₹	43.54
(c) Provision - Others				
GST Payable	₹	491.50	₹	930.17
Total	₹	2,337.12	₹	2,327.39



QUALISPACE WEB SERVICES PVT LTD
STATEMENT OF FIXED ASSETS, AS ON 31 ST MARCH 2022

Note - 6

PARTICULARS	RATE OF DEPRECIATION	G R O S S ----- B L O C K						D E P R E C I A T I O N				N E T -- B L O C K	
		AS ON	ADDITIONS	ADDITIONS	SALE	AS ON	UP TO	FOR THE	AS ON	AS ON	AS ON	AS ON	
		01.04.2021	Before 30.09.2021	After 30.09.2021	during the year	31.3.2022	01.04.2021	YEAR	31.03.2022	31.03.2022	31.03.2022	31.03.2021	
PLANT & MACHINERY		₹ 6,113.91	₹ 1,040.95	₹ 1,715.65	₹ -	₹ 8,870.51	₹ 3,738.33	₹ 1,486.16	₹ 5,224.49	₹ 3,646.02	₹ 2,375.58		
TOTAL		₹ 6,113.91	₹ 1,040.95	₹ 1,715.65	₹ -	₹ 8,870.51	₹ 3,738.33	₹ 1,486.16	₹ 5,224.49	₹ 3,646.02	₹ 2,375.58		
PREVIOUS YEAR		₹ 5,331.16	₹ 411.75	₹ 371.00	₹ -	₹ 6,113.91	₹ 2,334.50	₹ 1,403.83	₹ 3,738.33	₹ 2,375.58	₹ 2,996.66		

(Figures in '000)



QUALISPACE WEB SERVICES PVT LTD
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 7 LONG TERM LOANS AND ADVANCES

(Figures in '000)

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
Rent Deposit	₹ 50.00	₹ 50.00
Total	₹ 50.00	₹ 50.00

Note 9 CASH AND CASH EQUIVALENTS

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
A) Cash In Hand	₹ 0.49	₹ 4.89
B) Bank Balance	₹ 548.63	₹ 885.53
Total	₹ 549.12	₹ 890.42

Note 10 SHORT TERM LOANS AND ADVANCES

Particulars	Figures as at the end of current reporting period	Figures as at the end of previous reporting Period
	2021-22	2020-21
Loans and Advances to Related Parties	₹ 21,796.90	₹ 10,928.32
Pre Deposit For GST appeal	₹ 317.38	₹ -
TDS Receivable	₹ 1,779.16	₹ 649.35
Total	₹ 23,893.43	₹ 11,577.67



QUALISPACE WEB SERVICES PVT LTD
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 5 TRADE PAYABLES

Figures For the Current Reporting Period

(Figures in '000)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ 2,683.76	₹ 97.43	₹ 11.37	₹ -	₹ 2,792.56
Total	₹ -	₹ -	₹ -	₹ -	₹ 2,792.56

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues-MSME	₹ -	₹ -	₹ -	₹ -	₹ -
Dispute dues	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ 4,126.67	₹ 1,277.67	₹ 449.13	₹ -	₹ 5,853.47
Total	₹ -	₹ -	₹ -	₹ -	₹ 5,853.47

Note 8 TRADE RECEIVABLES

Figures For the Current Reporting Period

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 1,948.49	₹ 470.17	₹ 84.37	₹ 29.69	₹ -	₹ 2,532.71
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -

Figures For Previous Reporting Period

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months - 1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	₹ 4,538.15	₹ 2,594.46	₹ 1,544.06	₹ 26.59	₹ -	₹ 8,703.26
Undisputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Goods	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Disputed Trade Receivables- Considered Doubtful	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -
Others	₹ -	₹ -	₹ -	₹ -	₹ -	₹ -



QUALISPACE WEB SERVICES PVT LTD
NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENT

Note 11 REVENUE FROM OPERATIONS

(Figures in '000)

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Sale of Services	₹ 51,593.98	₹ 31,331.39
Total - Sales	₹ 51,593.98	₹ 31,331.39

Note 12 OTHER INCOME

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Interest Income	₹ 0.91	₹ 95.09
Rebate Received	₹ 215.87	₹ -
Total	₹ 216.78	₹ 95.09

Note 13 COST OF MATERIALS CONSUMED

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Purchase of Service	₹ 21,987.62	₹ 12,998.39
Software Expenses	₹ -	₹ 76.48
Cost of material consumed	₹ 21,987.62	₹ 13,074.87

Note 14 EMPLOYEE BENEFIT EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Salaries and wages	₹ 18,638.29	₹ 12,773.47
Director Remuneration	₹ 1,053.18	₹ 1,032.48
ESI Employees Contribution	₹ -	₹ -
Staff Welfare	₹ -	₹ -
Bonus	₹ -	₹ -
Total	₹ 19,691.47	₹ 13,805.95

Note 15 FINANCE COST

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Foreign Exchange Transaction net Gain/Loss	₹ 118.54	₹ 103.37
Bank Charges	₹ 144.13	₹ 131.37
Collection Charges	₹ 49.76	₹ 79.30
Total	₹ 312.42	₹ 314.04

Note 16 OTHER EXPENSES

Particulars	Figures for the current reporting period	Figures for the previous reporting period
	2021-22	2020-21
Food Expenses	₹ 0.23	₹ -
Audit Fees	₹ 40.00	₹ 25.00
Marketing Expense	₹ 1,497.55	₹ 1,045.48
Selling & Distribution Expense	₹ 99.09	₹ 111.11
Office Expense	₹ 90.36	₹ 171.11
Rounding off	₹ 0.01	₹ 0.31
Postage & Courier Expenses	₹ 6.11	₹ 2.16
Printing & Stationary Expenses	₹ 9.44	₹ 11.85
Profession Tax	₹ 2.50	₹ 2.50
Professional & Legal Charges	₹ 486.06	₹ 79.01
Repair & Maintenance Expenses	₹ 31.77	₹ 70.46
Misc. Expenditures W/off 1/5th	₹ 11.00	₹ 11.00
Interest / Penalties / Late Payment Charges	₹ 376.39	₹ 26.63
Sundry Balance W/off	₹ 42.07	₹ 57.47
Lease Rent	₹ 395.53	₹ 369.67
Travelling Expense	₹ -	₹ 30.88
Total	₹ 3,088.12	₹ 2,014.62



QUALISPACE WEB SERVICES PVT LTD

ADDITIONAL NOTES TO FORM OF INTEGRAL PART OF AUDITED FINANCIAL STATEMENTS AS ON 31ST MARCH 2022

I where Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are:

- (a) repayable on demand or
(b) without specifying any terms or period of repayment

Type of Borrower	Amount of loan and Advance in the nature of Loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	₹ -	0.00%
Directors	₹ -	0.00%
KMPs	₹ -	0.00%
Related Parties	₹ 21,796.90	100.00%

II The company do not hold any Benami Property as on the date of this financial statements.

III The company do not have any relationship with any Struck off Companies as on date of this financials.

IV Ratios

Ratios	Numerator	Denominator	Current Reporting Period	Previous reporting period	% of Change
Debt Equity Ratio	Debt Capital	Shareholder's Equity	2.58	3.82	-32.49%
Debt Service coverage ratio	EBITDA-CAPEX	Debt Service (Int+Principal)	0.38	0.20	89.63%
Return on Equity Ratio	Profit for the year	Average Shareholder's Equity	0.76	0.14	461.42%
Inventory Turnover Ratio	COGS	Average Inventory	0.00	0.00	0.00%
Trade Receivables turnover ratio	Net Sales	Average trade receivables	9.18	3.91	134.74%
Trade payables turnover ratio	Total Purchases (Fuel Cost + Other Expenses+Closing Inventory-Opening Inventory)	Closing Trade Payables	7.87	2.23	252.49%
Current Ratio	Current Assets	Current Liabilities	1.15	1.04	10.47%
Net capital turnover ratio	Sales	Working capital (CA-CL)	14.68	37.68	-61.05%
Net profit ratio	Net Profit	Sales	0.08	0.01	488.20%
Return on Capital employed	Earnings before interest and tax	Capital Employed	78.15%	35.37%	120.96%
Return on investment	Net Profit	Investment	0.00%	0.00%	0.00%

V Utilisation of Borrowed funds and share premium:

- a) Borrowed Fund has been used for working capital and routine operation purpose of the company.
b) During this year there was no share premium received and/or utilised by the Company.



Notes forming part of the Financial Statements for the period ended 31st December 2021

BACKGROUND:

Qualispace Web Services Private Limited (the Company) was incorporated on April 24, 2017. The financial statement prepared for the Company relate to the period from April 1, 2021 to December 31, 2021. The Company provides Other IT Related Business Services and other allied services to domestic/oversees clients.

Note 19: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. Operating Cycle:

The Company is primarily engaged in the business of Information Technology The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. Fixed Assets:

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. Depreciation/ Amortization:

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.



f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
	Total	NIL

g. Leases:

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 statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

Revenue from deputation services is recognized on accrual basis as per the terms of contract.

i. Foreign Currency Transactions:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

(i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

(ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

k. Employee Benefits :**a) Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

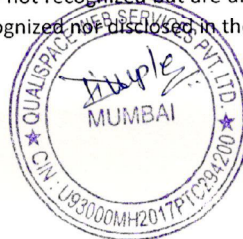
Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.



Notes forming part of the Financial Statements for the period ended 31st December 2021

n. Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

20. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year Rs. Nil)

21. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

22. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at December 31, 2021 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

23. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/12/2021	As at 31/03/2021
(i)	Deferred tax Liability on account of :		
	Depreciation	1,69,511	70,041
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	1,69,511	70,041

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

24. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.



Notes forming part of the Financial Statements for the period ended 31st December 2021

25. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

26. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to "Segment Reporting".

27. Related Party Transaction

Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Particulars		Upto 31 st Dec. 2021		FY 2020-21	
Name of the Related Party & Nature of Relationship	Nature of Transaction	Net-off Amount of Transactions for FY 2021-22 (Upto Dec. 2021)	O/s amounts carried in the Balance Sheet FY 2021-22 (Upto Dec. 2021)	Net-off Amount of Transactions for FY 2020-21	O/s amounts carried in the Balance Sheet FY 2020-21
Key Managerial Personnel & their Relatives:					
Mrs. Dimple Shah	Managerial Remuneration	7,89,930	Nil	5,16,240	Nil
	Unsecured Loan	Nil	4,68,979	5,93,979	4,68,979
Mrs. Gunja Shah	Managerial Remuneration	Nil	Nil	5,16,240	Nil
	Unsecured Loan	Nil	(1,84,590)	1,84,590	(1,84,590)
Mr. Ashish Shah	Unsecured	38,932	(2,63,718)	(2,98,709)	(3,02,650)



Notes forming part of the Financial Statements for the period ended 31st December 2021

	Loan				
Mr. Hirenkumar Shah	Unsecured Loan	(12,64,750)	(16,37,209)	(2,69,527)	(3,72,459)
	Sales	0	0	5,874	6,170
Associate Enterprise & Sister Concern:					
Netztrack Solutions	Unsecured Loan	Nil	(39,80,836)	Nil	(39,80,836)
Trunkoz Technologies Pvt Ltd	Unsecured Loan	73,96,208	(2,71,184)	2,51,038	(76,67,392)
	Purchases	8,22,207	(19,69,921)	11,47,714	(11,47,714)
	Rent	3,00,825	(7,21,607)	4,07,706	(4,20,782)
PayNX Technologies Pvt Ltd	Unsecured Loan	Nil	(1,31,068)	7,587	(1,31,068)
	Sales	45,439	Nil	45,439	1,07,266
OwnRegistrar Inc	Advances	16,03,221	41,87,835	19,80,010	25,84,614
	Sales	Nil	2,51,460	Nil	2,71,600
	Purchases	46,81,096	(37,67,292)	Nil	(3,22,657)
PayExecute Inc	Advances	Nil	16,873	Nil	16,873
Qualispace Inc	Advances	35,02,582	1,71,26,435	49,92,850	1,36,23,854

28. Cash Flow Statement as required in terms of Accounting Standard "AS-3 (Revised) Cash Flow Statements" is applicable and attached herewith with Financial Statements.

29. As the Company is not a manufacturing company, the information required under Clause 3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.

30. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the loss of the Company for the year.

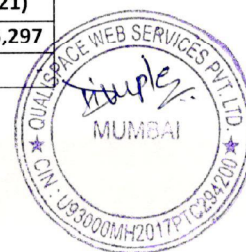
31. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.

32. Expenditure in foreign currency – ₹ 72,30,666 (P.Y. ₹ 31,30,236)

33. Earning in Foreign Currency (On Cash Basis) – ₹ 15,297/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	FY 2021-22 (Upto Dec. 2021)
Receipt from Export against Invoice	15,297
Advance against Export Services	



Notes forming part of the Financial Statements for the period ended 31st December 2021

Exchange Gain/(Loss) on remittance	-
Total Earning in Foreign Currency (On Cash Basis)	15,297

34. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)
35. On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FOR QUALISPACE WEB SERVICES PRIVATE LIMITED



DIMPLE SHAH

Director

DIN: 07788365

PLACE: MUMBAI

DATE: 30th May, 2022



**INDEPENDENT AUDITORS' REPORT**

To

The Members of QUALISPACE WEB SERVICES PRIVATE LIMITED

Report on the audit of the financial statements**Opinion**

We have audited the accompanying financial statements of QUALISPACE WEB SERVICES PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2021, and 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 financial statements give the information required by the Companies Act, 2013 ('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, 2021, its profit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report 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 standalone 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 are 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 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 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.

The board of directors are also 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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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

The provisions of 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 is not applicable to the Company since

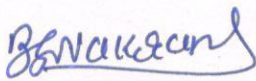
- It is not a subsidiary or holding company of a public company;
- Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;
- Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
- Its turnover for the year is not more than Rs.10 Crores during the year.

As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards 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, 2021 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- (g) The Company being a private limited company, 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 respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. Nakrani & Co.
Chartered Accountant
Firm Registration No.130078W



Bharat Patel
Proprietor
Membership No. 132078
Place: THANE
Date: 08th November 2021



QUALISPACE WEB SERVICES PVT LTD

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.

Corporate Identity Number : U93000MH2017PTC294200

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2021

Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	30,87,018	26,81,901
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	-	-
(b) Other Long Term Liabilities		-	-
(c) Deferred Tax Liabilities (Net)		70,041	75,697
(4) Current Liabilities			
(a) Short-Term Borrowings	4	1,21,70,015	42,12,708
(b) Trade Payables	5	58,53,471	38,10,484
(c) Other Current Liabilities	6	11,22,874	32,59,965
(d) Short-Term Provisions	7	12,04,511	7,96,403
Total Equity & Liabilities		2,36,07,930	1,49,37,158
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	61,13,910	53,31,163
(ii) Depreciation		37,38,332	23,34,502
(iii) Net Block		23,75,578	29,96,661
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans And Advances	9	50,000	50,000
(2) Current Assets			
(a) Inventories			
(b) Trade receivables	10	87,03,257	70,41,996
(c) Cash and Cash Equivalents	11	8,90,424	9,28,287
(d) Short-Term Loans And Advances	12	1,15,77,670	38,98,214
(e) Other Current Assets		11,000	22,000
Total Assets		2,36,07,930	1,49,37,158

NOTES TO ACCOUNTS

19

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

NAKRANI & CO.

FOR QUALISPACE WEB SERVICES PVT LTD

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO: 130078W



Bharat S Patel
Proprietor

Membership No. : 132078

PLACE: THANE

DATED: 08.11.2021

Dimple

Dimple Shah
Director

DIN: 07788365

PLACE: MUMBAI

DATED: 08.11.2021

Gunja

Gunja Shah
Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.

Corporate Identity Number : U93000MH2017PTC294200

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2021

Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Revenue:			
Revenue From Operations (Net of Taxes)	13	3,13,31,395	3,79,73,775
Income From Non-Operation (Net of Taxes)	14	95,090	18,340
Total Revenue		3,14,26,485	3,79,92,115
Expenses:			
Direct Service Expense	15	1,30,74,870	1,48,99,501
Employment Benefit Cost	16	1,38,05,950	1,42,55,173
Finance Cost	17	3,14,042	6,78,979
Other Expenses	18	20,14,621	43,48,939
Depreciation & Amortisation	8	14,03,830	13,48,225
Total Expenses		3,06,13,313	3,55,30,818
Profit Before Tax - PBT		8,13,171	24,61,297
Tax expense:			
(1) Income Tax Provision			
Current Tax		2,36,000	6,08,564
Excess / Short Provision		1,77,710	-
(2) Deferred tax		-	4,952
Profit/(Loss) for the period After Tax- PAT		4,05,117	18,47,781
No. of Shares		10,000	10,000
Earning per Equity Share:			
(1) Basic		40.51	184.78
(2) Diluted		40.51	184.78

NOTES TO ACCOUNTS

19

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

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

NAKRANI & CO.

CHARTERED ACCOUNTANT

FIRM REGISTRATION NO: 130078W

Bharat S Patel
THANE

Bharat S Patel

Proprietor

Membership No. 132078

PLACE: THANE

DATED: 08.11.2021



FOR QUALISPACE WEB SERVICES PVT LTD

Dimple Shah

Dimple Shah

Director

DIN: 07788365

PLACE: MUMBAI

DATED: 08.11.2021

Gunja Shah

Gunja Shah

Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.

Corporate Identity Number : U93000MH2017PTC294200

AUDITED CASH FLOW STATEMENT AS ON 31ST MARCH, 2021

Particulars	Note No.	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
A : Cash flows from operating activities:			
Profit before taxation	(a)	8,13,171	24,61,297
Add: Non Operating Expense			
Depreciation		14,03,830	13,48,225
Capital Work in Process		-	-
Interest Expense		3,14,042	6,78,979
	(b)	17,17,872	20,27,204
Less: Non Operating Income			
Interest Income		95,090	18,340
	(c)	95,090	18,340
Operating profit before working capital changes	d=(a+b-c)	24,35,953	44,70,161
Working capital changes:			
Decrease /(Increase) In Trade Receivables	-	16,61,261	28,39,867
Decrease/(Increase) in Loans & advances (Assets)	-	76,79,457	20,60,733
Decrease/(Increase) in Inventories	-	-	-
Decrease/(Increase) in Other Current Assets	-	11,000	11,000
Increase /(Decrease) in Other Long Term Liabilities	-	-	-
Increase /(Decrease) in Trade Payables	-	20,42,987	70,81,830
Increase /(Decrease) in Other Current Liabilities	-	21,37,091	26,55,677
Increase /(Decrease) in Provisions	-	2,30,398	4,79,790
	(e)	91,93,423	47,14,496
Cash generated from operations	(d+e)	67,57,470	2,44,335
Taxes paid		2,36,000	6,08,564
Net cash used in operating activities	(A)	69,93,470	8,52,899
B : Cash flows from investing activities:			
Fixed asset Purchase	-	7,82,747	17,28,150
Interest on FD	-	95,090	18,340
Capital Work in Process	-	-	-
Invertment	-	-	-
Net cash Generated from investing activities	(B)	6,87,657	17,09,810
C : Cash flows from financing activities:			
Increase/(Decrease) in borrowing	-	79,57,306	35,83,234
Interest Expenses	-	3,14,042	6,78,979
Issue of Shares	-	-	-
Net cash generated from financing activities	(C)	76,43,264	29,04,255
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	37,863	3,41,546
E : Cash and cash equivalents at beginning of period	(E)	9,28,287	5,86,741
F : Cash and cash equivalents at end of period = (D+E)	(D + E)	8,90,424	9,28,287

NOTES TO ACCOUNTS

19

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

NAKRANI & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 130078W

CA. Bharat S Patel
Proprietor
Membership No. : 132078
PLACE: THANE
DATED: 08.11.2021



FOR QUALISPACE WEB SERVICES PVT LTD

Dimple

Dimple Shah
Director
DIN: 07788365
PLACE: MUMBAI
DATED: 08.11.2021

Gunja

Gunja Shah
Director
DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2021

Note 1 : Share Capital

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
AUTHORIZED CAPITAL 10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL <i>To the Subscribers of the Memorandum</i> Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
Total Value in INR	1,00,000	1,00,000

Note 2 : Reserve & Surplus

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
(a) Suplus from Profit & Loss Account		
Opening Balances	26,81,901	8,34,120
Add: Profit/(Loss) for the period	4,05,117	18,47,781
Total Value in INR	30,87,018	26,81,901

Note 3 : Long Term Borrowing

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Secured		
(a) Loans repayable on demand from banks (Secured By Office Premises)	-	-
Unsecured		
from banks	-	-
Total Value in INR (A+B)	-	-

Note 4 : Short Term Borrowing

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Secured		
(a) Loans repayable on demand from banks ((Secured By Car)	-	-
Unsecured		
Credit Card Payable	-	-
Unsecured		
(a) Loans repayable on demand-from Banks	-	-
(b) Loan from Related Parties		
Loan From Directors	36,96,447	1,25,000
Loan From Other Related Parties	84,73,568	40,87,708
Total Value in INR (A+B)	1,21,70,015	42,12,708

Note 5 : Trades Payable

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
Sundry Creditors	58,53,471	38,10,484
Total Value in INR	58,53,471	38,10,484

Note 6 : Other Current Liabilities

Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
(a) Other Payables		
Statutory Remittance		
GST Payable	9,30,165	30,81,744
TDS Payable	43,544	72,047
Profession Tax	-	15,587
Provident Fund Payable	1,46,418	1,21,761
ESIC payable	2,747	-
Others:		
Income Received in Advance	-	-
Security Deposits Accepted	-	-
Others	-	-
Total Value in INR	11,22,874	32,59,965

Note 7 : Short Term Provisions

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2020
Provision for Income Tax	2,36,000	7,71,329
Other Provisions	9,68,511	25,074
Total Value in INR	12,04,511	7,96,403



QUALISPACE WEB SERVICES PVT LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March 2021

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		Value at the beginning	Addition during the year	Deduction during the year	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Closing Value as on 31.03.2021	Closing Value as on 31.03.2020
1	<u>Tangible Assets</u>									
1	Computers	53,31,163	7,82,747	-	23,34,502	14,03,830	-	37,38,332	23,75,578	29,96,661
	Total in INR	53,31,163	7,82,747	-	23,34,502	14,03,830	-	37,38,332	23,75,578	29,96,661
	Previous Year Figures	36,03,013	17,28,150	-	9,86,277	13,48,225	-	23,34,502	29,96,661	26,16,736



QUALISPACE WEB SERVICES PVT LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2021

Note 9: Long Term Loans and Advances

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
	Deposits		
1	Deposits with MSEB	-	-
2	Telephone Deposit	-	-
3	Rent Deposit -Trunkoz	50,000	50,000
	Total Value in INR	50,000	50,000

Note 10 : Trade Recievables

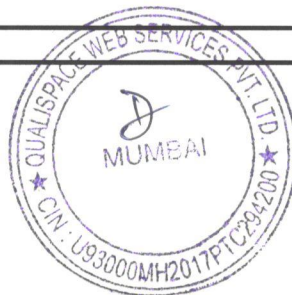
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Trade Receivables,Outstanding for Less than Six Months		
	Related Party	-	-
	Others	87,03,257	70,41,996
2	Trade Receivables,Outstanding for More than Six Months		
	Related Party	-	-
	Others	-	-
	Total Value in INR	87,03,257	70,41,996

Note 11 : Cash & Cash Equivalent

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Cash-in-Hand	4,890	49,534
2	Bank Balances	8,85,534	1,28,753
3	Bank Deposits with more than 12 months maturity	-	7,50,000
	Total Value in INR	8,90,424	9,28,287

Note 12 : Short Terms Loans and Advances

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Loans and Advances to Related Parties	1,09,28,323	11,94,598
2	Loan to Directors	-	-
3	Other Receivable		
	TDS Receivable	6,49,347	27,03,616
	Other Advance with Revenue Authorities	-	-
	Advance with Staff	-	-
	Others	-	-
	Total Value in INR	1,15,77,670	38,98,214



QUALISPACE WEB SERVICES PVT LTD

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2021

Note 13 : Revenue From Operations

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Sale of Services	3,13,31,395	3,79,73,775
	Total Value in INR	3,13,31,395	3,79,73,775

Note 14 : Income From Non Operation

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Other non Operating Income	95,090	18,340
2	Foreign Exchange Gain	-	-
	Total Value in INR	95,090	18,340

Note 15 : Direct Service Expenses

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Purchases of Services	1,29,98,390	1,48,37,527
2	Software Expenses	76,480	61,974
3	Outsourcing Expenses	-	-
	Total Value in INR	1,30,74,870	1,48,99,501

Note : 16 Employment Benefit Cost

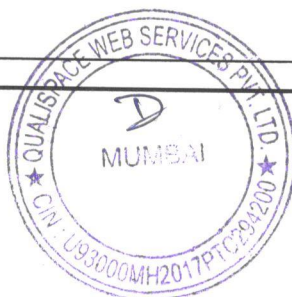
	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Salaries and Incentives	1,27,73,470	1,32,22,693
2	Director Remuneration	10,32,480	10,32,480
	Total Value in INR	1,38,05,950	1,42,55,173

Note 17 : Finance Cost

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Interest Expense	-	-
2	Foreign Exchange Transaction net Gain/Loss	1,03,367	92,375
3	Bank Charges	1,31,374	4,43,227
4	Collection Charges	79,300	1,43,378
	Total Value in INR	3,14,042	6,78,979

Note 18 : Other Expenses

	Particulars	Amount As At 31st Mar. 2021	Amount As At 31st Mar. 2020
1	Food Expenses	-	30,928
2	Audit Fees	25,000	-
3	Exhibition Expense	-	-
4	Marketing Expense	10,45,481	10,85,362
5	Selling & Distribution Expense	1,11,105	6,48,832
6	Office Expense	1,71,108	7,01,965
7	Rounding off	311	6
8	Postage & Courier Expenses	2,164	9,454
9	Printing & Stationary Expenses	11,845	46,097
10	Profession Tax	2,500	2,500
11	Professional & Legal Charges	79,010	88,500
12	Repair & Maintenance Expenses	70,458	2,76,331
13	Misc. Expenditures W/off 1/5th	11,000	11,000
14	Interest / Penalties / Late Payment Charges	26,630	1,99,661
15	Insurance Expenses	-	8,520
16	Sundry Balance W/off	57,467	98,518
17	Lease Rent	3,69,667	3,45,480
18	Travelling Expense	30,876	7,95,797
	Total Value in INR	20,14,621	43,48,939



Notes forming part of the Financial Statements for the period ended **31st March 2021**

BACKGROUND:

Qualispace Web Services Private Limited (the Company) was incorporated on **April 24, 2017**. This is the **fourth** financial statement prepared for the Company and they relate to the period from **April 1, 2020** to **March 31, 2021**. The Company provides Other IT Related Business Services and other allied services to domestic/ overseas clients.

Note 19: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. Operating Cycle:

The Company is primarily engaged in the business of Information Technology The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

d. Fixed Assets:

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. Depreciation/ Amortization:

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.



f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
	Total	NIL

g. Leases:

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 statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

Revenue from deputation services is recognized on accrual basis as per the terms of contract.

i. Foreign Currency Transactions:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



Notes forming part of the Financial Statements for the period ended 31st March 2021

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

(i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

(ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

k. Employee Benefits :

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

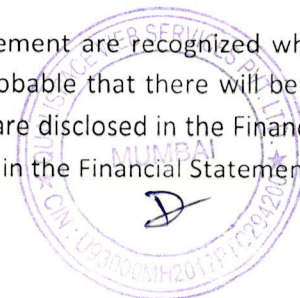
Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.



Notes forming part of the Financial Statements for the period ended 31st March 2021

n. Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

20. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year Rs. Nil)

21. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

22. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2020 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

23. DEFERRED TAX:

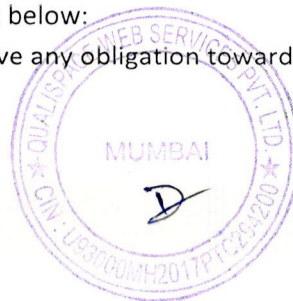
(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2021	As at 31/03/2020
(i)	Deferred tax Liability on account of :		
	Depreciation	70,041	75,697
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	70,041	75,697

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

24. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.



Notes forming part of the Financial Statements for the period ended 31st March 2021

25. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

26. Segment Reporting:

The risk-return profile of the Company’s business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to “Segment Reporting”.

27. Related Party Transaction

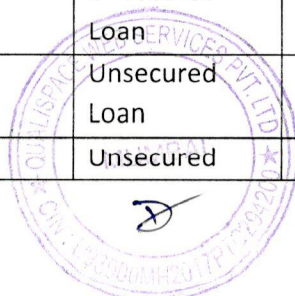
Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure’ are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Particulars		FY 2020-21		FY 2019-20	
Name of the Related Party & Nature of Relationship	Nature of Transaction	Transaction Value	O/s amounts carried in the Balance Sheet	Transaction Value	O/s amounts carried in the Balance Sheet
Key Managerial Personnel & their Relatives:					
Mrs. Dimple Shah	Managerial Remuneration	5,16,240	Nil	5,16,240	Nil
	Unsecured Loan	5,93,979	4,68,979	Nil	(1,25,000)
Mrs. Gunja Shah	Managerial Remuneration	5,16,240	Nil	5,16,240	Nil
	Unsecured Loan	1,84,590	(1,84,590)	Nil	Nil
Mr. Ashish Shah	Unsecured Loan	(2,98,709)	(3,02,650)	(20,935)	(3,941)
Mr. Hirenkumar Shah	Unsecured	(2,69,527)	(3,72,459)	(3,76,666)	(1,02,932)



Notes forming part of the Financial Statements for the period ended 31st March 2021

	Loan				
	Sales	5,874	6,170	5,874	6,170
Associate Enterprise & Sister Concern:					
Netztrack Solutions	Unsecured Loan	Nil	(39,80,836)	(39,80,836)	(39,80,836)
Trunkoz Technologies Pvt Ltd	Unsecured Loan	2,51,038	(76,67,392)	(79,18,430)	(79,18,430)
	Purchases	11,47,714	(11,47,714)	28,09,758	Nil
	Rent	4,07,706	(4,20,782)	3,73,119	(13,076)
PayNX Technologies Pvt Ltd	Unsecured Loan	7,587	(1,31,068)	(1,38,655)	(1,38,655)
	Sales	45,439	1,07,266	31,028	61,827
OwnRegistrar Inc	Advances	19,80,010	25,84,614	6,04,604	6,04,604
	Sales	Nil	2,71,600	27,18,800	2,71,600
	Purchases	Nil	(3,22,657)	31,68,978	(3,22,657)
PayExecute Inc	Advances	Nil	16,873	16,873	16,873
Qualispace Inc	Advances	49,92,850	1,36,23,854	43,46,327	86,31,004

28. Cash Flow Statement as required in terms of Accounting Standard "AS-3 (Revised) Cash Flow Statements" is applicable and attached herewith with Financial Statements.

29. As the Company is not a manufacturing company, the information required under Clause 3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.

30. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the loss of the Company for the year.

31. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.

32. Expenditure in foreign currency – ₹ 31,30,236 (P.Y. ₹ 63,03,565)

33. Earning in Foreign Currency (On Cash Basis) – ₹ NIL/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	2021
Receipt from Export against Invoice	1,01,283
Advance against Export Services	-
Exchange Gain/(Loss) on remittance	-
Total Earning in Foreign Currency (On Cash Basis)	1,01,283



Notes forming part of the Financial Statements for the period ended 31st March 2021

34. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)
35. On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FOR QUALISPACE WEB SERVICES PRIVATE LIMITED



DIMPLE SHAH

Director

DIN: 07788365

PLACE: MUMBAI

DATE: 04.12.2020



**INDEPENDENT AUDITORS' REPORT**

To

The Members of QUALISPACE WEB SERVICES PRIVATE LIMITED

Report on the audit of the financial statements**Opinion**

We have audited the accompanying financial statements of QUALISPACE WEB SERVICES PRIVATE LIMITED ("the Company"), which comprise the balance sheet as at March 31, 2020, and 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 financial statements give the information required by the Companies Act, 2013 ('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, 2020, its profit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing 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 Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' 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 Board's Report including Annexures to Board's Report, Business Responsibility Report 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 standalone 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 are 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 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 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.

The board of directors are also 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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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

The provisions of 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 is not applicable to the Company since

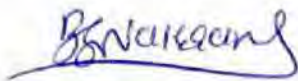
- (a) It is not a subsidiary or holding company of a public company;
- (b) Its paid-up capital and reserves and surplus are not more than Rs.1 Crores as at the balance sheet date;
- (c) Its total borrowings from banks and financial institutions are not more than Rs.1 Crores at any time during the year; and
- (d) Its turnover for the year is not more than Rs.10 Crores during the year.

As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards 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, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017; and
- (g) The Company being a private limited company, 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 respect of whether the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act is not applicable; and
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For M/s. Nakrani & Co.
Chartered Accountant
Firm Registration No.130078W



Bharat Patel
Proprietor
Membership No. 132078
UDIN: 21132078AAAAABA5056
Place: THANE
Date: 04th December 2020



QUALISPACE WEB SERVICES PVT LTD

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.

Corporate Identity Number : U93000MH2017PTC294200

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	1,00,000	1,00,000
(b) Reserves and Surplus	2	26,81,901	8,34,120
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	-	-
(b) Other Long Term Liabilities		-	-
(c) Deferred Tax Liabilities (Net)		75,697	70,745
(4) Current Liabilities			
(a) Short-Term Borrowings	4	42,12,708	6,29,474
(b) Trade Payables	5	38,10,484	1,08,92,313
(c) Other Current Liabilities	6	32,59,965	6,04,288
(d) Short-Term Provisions	7	7,96,403	3,16,613
Total Equity & Liabilities		1,49,37,158	1,34,47,553
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Gross Block	8	53,31,163	36,03,013
(ii) Depreciation		23,34,502	9,86,277
(iii) Net Block		29,96,661	26,16,736
(b) Non-Current Investments		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Long Term Loans And Advances	9	50,000	50,000
(2) Current Assets			
(a) Inventories			
(b) Trade receivables	10	70,41,996	42,02,129
(c) Cash and Cash Equivalents	11	9,28,287	5,86,741
(d) Short-Term Loans And Advances	12	38,98,214	59,58,947
(e) Other Current Assets		22,000	33,000
Total Assets		1,49,37,158	1,34,47,553

NOTES TO ACCOUNTS

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Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

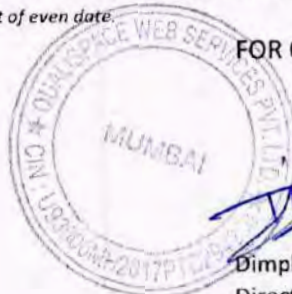
This is the Statement of Assets and Liabilities referred to in our Report of even date.

NAKRANI & CO.

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO: 130078W

FOR QUALISPACE WEB SERVICES PVT LTD



Bharat S Patel

Proprietor

Membership No. :132078

PLACE: THANE

DATED: 04.12.2020

Dimple Shah

Director

DIN: 07788365

PLACE: MUMBAI

DATED: 04.12.2020

Gunja

Gunja Shah

Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.

Corporate Identity Number : U93000MH2017PTC294200

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Revenue:			
Revenue From Operations (Net of Taxes)	13	3,79,73,775	3,56,34,912
Income From Non-Operation (Net of Taxes)	14	18,340	1,19,310
Total Revenue		3,79,92,115	3,57,54,222
Expenses:			
Direct Service Expense	15	1,48,99,501	2,83,45,243
Employment Benefit Cost	16	1,42,55,173	31,61,789
Finance Cost	17	6,78,979	3,60,513
Other Expenses	18	43,48,939	23,15,880
Depreciation & Amortisation	8	13,48,225	8,35,747
Total Expenses		3,55,30,818	3,50,19,171
Profit Before Tax - PBT		24,61,297	7,35,051
Tax expense:			
(1) Income Tax Provision			
Current Tax		6,08,564	1,62,765
Excess / Short Provision		-	-
(2) Deferred tax		4,952	38,713
Profit/(Loss) for the period After Tax- PAT		18,47,781	5,33,573
No. of Shares		10,000	10,000
Earning per Equity Share:			
(1) Basic		184.78	53.36
(2) Diluted		184.78	53.36

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Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

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

NAKRANI & CO.

FOR QUALISPACE WEB SERVICES PVT LTD

CHARTERED ACCOUNTANT

FIRM REGISTRATION NO:130078W

Bharat S Patel

Proprietor

Membership No. :132078

PLACE: THANE

DATED: 04.12.2020



Dimple Shah

Director

DIN: 07788365

PLACE: MUMBAI

DATED: 04.12.2020

Gunja

Gunja Shah

Director

DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

602, AVIOR, NIRMAL GALAXY, L.B.S. MARG, OPP. JOHNSON & JOHNSON, MULUND (W) - 400080.

Corporate Identity Number : U93000MH2017PTC294200

AUDITED CASH FLOW STATEMENT AS ON 31ST MARCH, 2020

Particulars	Note No.	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
A : Cash flows from operating activities:			
Profit before taxation	(a)	24,61,297	7,35,051
Add: Non Operating Expense			
Depreciation		13,48,225	8,35,747
Capital Work in Process		-	-
Interest Expense		6,78,979	3,60,513
	(b)	20,27,204	11,96,260
Less: Non Operating Income			
Interest Income	(c)	18,340	1,19,310
		18,340	1,19,310
Operating profit before working capital changes	d=(a+b-c)	44,70,161	18,12,000
Working capital changes:			
Decrease /(Increase) In Trade Receivables		28,39,867	5,19,825
Decrease/(Increase) in Loans & advances (Assets)		20,60,733	54,68,763
Decrease/(Increase) in Inventories		-	-
Decrease/(Increase) in Other Current Assets		11,000	11,000
Increase /(Decrease) in Other Long Term Liabilities		-	-
Increase /(Decrease) in Trade Payables		70,81,830	51,95,234
Increase /(Decrease) in Other Current Liabilities		26,55,677	1,27,167
Increase /(Decrease) in Provisions		4,79,790	2,34,543
	(e)	47,14,496	6,19,006
Cash generated from operations	(d+e)	2,44,335	24,31,007
Taxes paid		6,08,564	1,62,765
Net cash used in operating activities	(A)	8,52,899	22,68,242
B : Cash flows from investing activities:			
Fixed asset Purchase		17,28,150	23,32,045
Interest on FD		18,340	1,19,310
Capital Work in Process		-	-
Invertment		-	-
Net cash Generated from investing activities	(B)	17,09,810	22,12,735
C : Cash flows from financing activities:			
Increase/(Decrease) in borrowing		35,83,234	91,157
Interest Expenses		6,78,979	3,60,513
Issue of Shares		-	-
Net cash generated from financing activities	(C)	29,04,255	4,51,670
D : Net increase in cash and cash equivalents = (A+B+C)	D=(A+B+C)	3,41,546	3,96,163
E : Cash and cash equivalents at beginning of period	(E)	5,86,741	9,82,904
F: Cash and cash equivalents at end of period = (D+E)	(D + E)	9,28,287	5,86,741

NOTES TO ACCOUNTS

Notes referred to above and Notes to Accounts attached there to form an integral part of the Audited Financial Statement

This is the Statement of Assets and Liabilities referred to in our Report of even date.

NAKRANI & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO: 130078W



FOR QUALISPACE WEB SERVICES PVT LTD

CA. Bharat S Patel
 Proprietor
 Membership No. :132078
 PLACE: THANE
 DATED: 04.12.2020

Dimple Shah
 Director
 DIN: 07788365
 PLACE: MUMBAI
 DATED: 04.12.2020

Gunja

Gunja Shah
 Director
 DIN: 07788340

QUALISPACE WEB SERVICES PVT LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note 1 : Share Capital

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
AUTHORIZED CAPITAL		
10,000 Equity Shares of Rs. 10/- each.	1,00,000	1,00,000
	1,00,000	1,00,000
ISSUED , SUBSCRIBED & PAID UP CAPITAL		
<i>To the Subscribers of the Memorandum</i>		
Equity Shares of Rs. 10/- each fully paid up.	1,00,000	1,00,000
Total Value in INR	1,00,000	1,00,000

Note 2 : Reserve & Surplus

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
(a) Surplus from Profit & Loss Account		
Opening Balances	8,34,120	3,00,547
Add. Profit/(Loss) for the period	18,47,781	5,33,573
Total Value in INR	26,81,901	8,34,120

Note 3 : Long Term Borrowing

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Secured		
(a) Loans repayable on demand from banks (Secured By Office Premises)	-	-
Unsecured		
from banks	-	-
Total Value in INR (A+B)	-	-

Note 4 : Short Term Borrowing

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Secured		
(a) Loans repayable on demand from banks ((Secured By Car)		
Unsecured		
Credit Card Payable	-	-
Unsecured		
(a) Loans repayable on demand-from Banks		
(b) Loan from Related Parties		
Loan From Directors	1,25,000	1,25,000
Loan From Other Related Parties	40,87,708	5,04,474
Total Value in INR (A+B)	42,12,708	6,29,474

Note 5 : Trades Payable

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Sundry Creditors	38,10,484	1,08,92,313
Total Value in INR	38,10,484	1,08,92,313

Note 6 : Other Current Liabilities

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
(a) Other Payables		
Statutory Remittance		
GST Payable	30,81,744	2,35,096
TDS Payable	72,047	2,89,245
Profession Tax	15,587	-
Provident Fund Payable	1,21,761	79,947
Others:		
Income Received in Advance	-	-
Security Deposits Accepted	-	-
Others	-	-
Total Value in INR	32,59,965	6,04,288

Note 7 : Short Term Provisions

Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
Provision for Income Tax	7,71,329	2,44,835
Other Provisions	25,074	71,778
Total Value in INR	7,96,403	3,16,613



QUALISPACE WEB SERVICES PVT LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March 2020

Note 8 : Fixed Asset

I. Fixed Assets and Depreciation

Sr. No	Particulars	Gross Block				Depreciaton				Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Closing Value as on 31.03.2020	Closing Value as on 31.03.2019
		₹ ₹									
1	<u>Tangible Assets</u>										
1	Computers	36,03,013	17,28,150	-	53,31,163	9,86,277	13,48,225	-	23,34,502	29,96,661	26,16,736
	Total in INR	36,03,013	17,28,150	-	53,31,163	9,86,277	13,48,225	-	23,34,502	29,96,661	26,16,736
	Previous Year Figures	12,70,968	23,32,045	-	36,03,013	1,50,530	8,35,747	-	9,86,277	26,16,736	11,20,438



QUALISPACE WEB SERVICES PVT LTD

Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note 9: Long Term Loans and Advances

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
	Deposits		
1	Deposits with MSEB	-	-
2	Telephone Deposit	-	-
3	Rent Deposit -Trunkoz	50,000	50,000
	Total Value in INR	50,000	50,000

Note 10 : Trade Recievables

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	<u>Trade Receivables,Outstanding for Less than Six Months</u>		
	Related Party	-	-
	Others	70,41,996	42,02,129
2	<u>Trade Receivables,Outstanding for More than Six Months</u>		
	Related Party	-	-
	Others	-	-
	Total Value in INR	70,41,996	42,02,129

Note 11 : Cash & Cash Equivalent

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Cash-in-Hand	49,534	63,416
2	Bank Balances	1,28,753	5,23,325
3	Bank Deposits with more than 12 months maturity	7,50,000	-
	Total Value in INR	9,28,287	5,86,741

Note 12 : Short Terms Loans and Advances

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Loans and Advances to Related Parties	11,94,598	42,84,677
2	Other Receivable		
	TDS Receivable	27,03,616	16,67,570
	Other Advance with Revenue Authorities	-	-
	Advance with Staff	-	6,700
	Others	-	-
	Total Value in INR	38,98,214	59,58,947



QUALISPACE WEB SERVICES PVT LTD

Notes Forming Part of the Profit & Loss Accounts as at 31st March, 2020

Note 13 : Revenue From Operations

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Sale of Services	3,79,73,775	3,56,34,912
	Total Value in INR	3,79,73,775	3,56,34,912

Note 14 : Income From Non Operation

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Other non Operating Income	18,340	12,001
2	Foreign Exchange Gain	-	1,07,309
	Total Value in INR	18,340	1,19,310

Note 15 : Direct Service Expenses

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Purchases of Services	1,48,37,527	1,75,49,813
2	Software Expenses	61,974	3,79,787
3	Outsourcing Expenses	-	1,04,15,642
	Total Value in INR	1,48,99,501	2,83,45,243

Note : 16 Employment Benefit Cost

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Salaries and Incentives	1,42,55,173	31,61,789
2	Director Remuneration	-	-
	Total Value in INR	1,42,55,173	31,61,789

Note 17 : Finance Cost

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Interest Expense	-	-
2	Foreign Exchange Transaction net Gain/Loss	92,375	-
3	Bank Charges	4,43,227	2,08,511
4	Collection Charges	1,43,378	1,52,001
	Total Value in INR	6,78,979	3,60,513

Note 18 : Other Expenses

	Particulars	Amount As At 31st Mar. 2020	Amount As At 31st Mar. 2019
1	Food Expenses	30,928	9,223
2	Audit Fees	-	53,000
3	Exhibition Expense	-	2,35,000
4	Marketing Expense	10,85,362	1,78,548
5	Selling & Distribution Expense	6,48,832	2,38,891
6	Office Expense	7,01,965	4,21,501
7	Rounding off	6	8
8	Postage & Courier Expenses	9,454	26,344
9	Printing & Stationary Expenses	46,097	72,539
10	Profession Tax	2,500	2,500
11	Professional & Legal Charges	88,500	31,100
12	Repair & Maintenance Expenses	2,76,331	46,116
13	Misc. Expenditures W/off 1/5th	11,000	11,000
14	Interest / Penalties / Late Payment Charges	1,99,661	59,401
15	Insurance Expenses	8,520	-
16	Sundry Balance W/off	98,518	25,051
17	Lease Rent	3,45,480	3,22,873
18	Travelling Expense	7,95,797	5,82,785
	Total Value in INR	43,48,939	23,15,880



Notes forming part of the Financial Statements for the period ended 31st March 2020

BACKGROUND:

Qualispace Web Services Private Limited (the Company) was incorporated on April 24, 2017. This is the third financial statement prepared for the Company and they relate to the period from April 1, 2019 to March 31, 2020. The Company provides Other IT Related Business Services and other allied services to domestic/ overseas clients.

Note 19: SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY:

a. Basis of preparation of financial statements:

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ("GAAP") under the historical cost convention on the accrual basis of accounting and comply in all the material aspects with the accounting standards notified under section 133 [The Companies (Accounts) Rules, 2014, as amended] and other provisions of the new Companies Act, 2013, as applicable to the Company.

b. Operating Cycle:

The Company is primarily engaged in the business of Information Technology. The Company has considered its operating cycle as 12 months and all assets and liabilities have been classified as current or non-current as per the criteria set out in the Revised Schedule III to the new Companies Act, 2013.

c. Use of estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

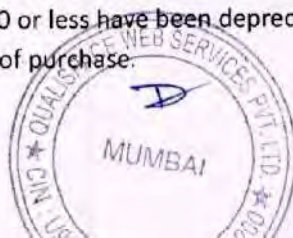
d. Fixed Assets:

Fixed assets are stated at their original cost of acquisition or construction less accumulated depreciation. Cost includes taxes, duties, freight and other incidental expenses related to acquisition. Fixed Assets sold during the year and profit/ (loss) arising on sale is recognized and accounted for in the year of sale. During this year some of assets have reinstated at 5% of its residual value as per Scheduled II of the new Companies Act, 2013.

e. Depreciation/ Amortization:

Depreciation/amortization on fixed assets is provided as per Schedule II to the Companies Act, 2013 which requires depreciating the asset over its useful life as prescribed in section 123 read with Schedule II – Part C of the new Companies Act, 2013.

Individual assets booked as per their book value and depreciated as per useful life of the assets. Assets having costing ₹ 10,000 or less have been depreciated at a computed rate as per method laid under the act in the year of purchase.



Notes forming part of the Financial Statements for the period ended 31st March 2020

f. Impairment:

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

Reversal of impairment loss is recognized immediately as income in the statement of profit and loss.

During the year impairment loss of ₹ NIL is recognized with following break-up and taken into books of account.

Sr.	Particulars	Amount in ₹
1.	Computers	NIL
	Total	NIL

g. Leases:

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 statement of Profit and Loss on a straight-line basis over the lease term.

h. Revenue Recognition:

Revenue from contracts priced on a time and material basis are recognized when services are rendered and related costs are incurred.

Revenue from software implementation services is recognized on the achievement of the milestones or performance of the specified tasks/ activities over the related period, as per the terms of the specific contract.

Revenue from deputation services is recognized on accrual basis as per the terms of contract.

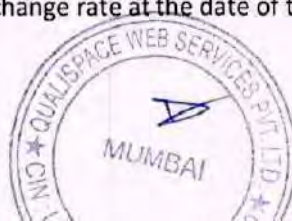
i. Foreign Currency Transactions:

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.



Notes forming part of the Financial Statements for the period ended 31st March 2020

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

j. Taxation:

Income-tax expense comprises Current tax and Deferred tax charge or credit.

(i) Provision for current tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Minimum Alternate Tax (MAT) eligible for set off in subsequent years, (as per tax laws) is recognized as an asset by way of credit to the statement of Profit and Loss only if there is convincing evidence of its realisation. At each balance sheet date, the carrying amount of MAT Credit Entitlement receivable is reviewed to reassure realisation.

(ii) The Deferred tax Asset and Deferred tax Liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realisation, supported by convincing evidence. Deferred tax Assets on account of other timing differences are recognized, only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of Deferred tax Assets are reviewed to reassure realisation.

k. Employee Benefits :

a) Short Term Employee Benefits:

All employee benefits payable within twelve months of rendering the service are recognized in the period in which the employee renders the related service.

b) Post-Employment Benefits:

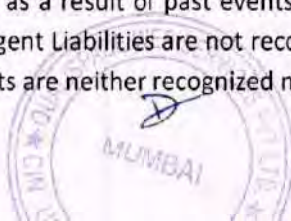
Retirement benefits to employees comprise of Provident Fund contributions. Contribution to defined contribution retirement benefit schemes are recognized as an expense when employees have rendered services entitling them to contributions.

l. Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

m. Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the Financial Statements.



Notes forming part of the Financial Statements for the period ended 31st March 2020

n. Cash and Cash Equivalents:

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents.

20. CONTINGENT LIABILITY:

Claims against the Company not acknowledged as debt ₹ Nil (previous year Rs. Nil)

21. OPERATING LEASES:

The Company do not have any lease obligation during the period under audit.

22. Based on information's available with the Company, there are no suppliers registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" as at March 31, 2020 and hence disclosure, if any, relating to amounts unpaid as at the year end and together with interest paid/payable as required under the said Act have not been given.

23. DEFERRED TAX:

(Amount in ₹)

Sr. No.	Particulars	As at 31/03/2020	As at 31/03/2019
(i)	Deferred tax Liability on account of :		
	Depreciation	75,697	70,745
(ii)	Deferred tax asset on account of :		
	a) Unabsorbed Depreciation	Nil	Nil
	b) Employee Benefits - leave Encashment & Gratuity	Nil	Nil
	c) On Account of disallowances	Nil	Nil
	d) Carried Forward Losses	Nil	Nil
	Deferred Tax Asset/(Liability)	Nil	Nil
	Less: Reversal During the year	Nil	Nil
	TOTAL	75,697	70,745

In consideration of prudence, the deferred tax asset has not been recognized in the accounts and the same would be considered at an appropriate time keeping in view the availability of sufficient taxable income against which such deferred tax asset can be realized.

24. The disclosure required under Accounting Standard 15 employee Benefit notified in the Companies (Accounting Standards) Rules 2006, is given below:

During the period under audit, the Company do not have any obligation towards Gratuity, Leave Encashment or any other defined benefit under AS-15.



Notes forming part of the Financial Statements for the period ended 31st March 2020

25. Particulars of Un-hedged foreign Currency Exposure as the Balance Sheet date:

During period under audit, the company does not have any un-hedged foreign currency exposure as on balance sheet date.

26. Segment Reporting:

The risk-return profile of the Company's business is determined predominantly by the nature of its services. Accordingly, the business segment constitutes the primary segment for disclosure of segment information.

Company is, at present, primarily engaged in a single business segment of Information Technology Company and operates only in a single geographical segment i.e. India. Accordingly, no disclosures are made in terms of Accounting Standard AS – 17 relating to "Segment Reporting".

27. Related Party Transaction

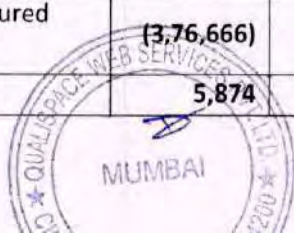
Disclosure of transaction with Related Parties, as required by Accounting standard AS – 18 relating to Related Party Disclosure' are given here under. Related parties as defined under Clause 3 of the accounting Standard AS – 18 have been identified based on Representations made by and information available with the Company.

[Note: Related Party relationships as identified by the Company have been relied upon by the Auditors.]

List of related parties with whom transactions were carried out during the year and description of relationship:

(Amount in ₹)

Particulars		FY 2019-20		FY 2018-19	
Name of the Related Party & Nature of Relationship	Nature of Transaction	Transaction Value	O/s amounts carried in the Balance Sheet	Transaction Value	O/s amounts carried in the Balance Sheet
Key Managerial Personnel & their Relatives:					
Mrs. Dimple Shah	Managerial Remuneration	5,16,240	Nil	1,29,060	Nil
	Unsecured Loan	Nil	1,25,000	1,25,000	1,25,000
Mrs. Gunja Shah	Managerial Remuneration	5,16,240	Nil	1,29,060	Nil
Mr. Ashish Shah	Unsecured Loan	(20,935)	3,941	(13,647)	24,876
Mr. Hirenkumar Shah	Unsecured Loan	(3,76,666)	1,02,932	(2,02,510)	4,79,598
	Sales	5,874	6,170	23,419	2,833



Notes forming part of the Financial Statements for the period ended 31st March 2020

Associate Enterprise & Sister Concern:					
Netztrack Solutions	Unsecured Loan	39,80,836	39,80,836	Nil	Nil
Trunkoz Technologies Pvt Ltd	Unsecured Loan	79,18,430	79,18,430	Nil	Nil
	Purchases	28,09,758	Nil	38,84,744	38,84,744
	Rent	3,73,119	13,076	3,48,714	10,913
PayNX Technologies Pvt Ltd	Unsecured Loan	1,38,655	1,38,655	Nil	Nil
	Sales	31,028	(61,827)	34,700	30,799
OwnRegistrar Inc	Advances	(6,04,604)	(6,04,604)	Nil	Nil
	Sales	27,18,800	(2,71,600)	Nil	Nil
	Purchases	31,68,978	3,22,657	Nil	Nil
PayExecute Inc	Advances	(16,873)	(16,873)	Nil	Nil
Qualispace Inc	Advances	(43,46,327)	(86,31,004)	(42,84,677)	(42,84,677)

28. Cash Flow Statement as required in terms of Accounting Standard "AS-3 (Revised) Cash Flow Statements" is not applicable to the Company, as paid-up capital is less than ₹ 50 Lacs and/or turnover is less than ₹ 2 Crore p.a. for period covered under this audit.

29. As the Company is not a manufacturing company, the information required under Clause3 (ii) (a) and Clause 4C of Part II of the Companies Act, 1956 has not been given.

30. The balances of sundry debtors, sundry creditors, loans and advances are subject to reconciliation and confirmation and are as per books of account only. In the opinion of the management, the reconciliation, if any, will not materially affect the loss of the Company for the year.

31. In the opinion of the Management, all the current assets, loans and advances have a value on realization in the ordinary course of business equal to the amount at which they are stated and all provisions for liabilities are adequate and are not less than the amount considered necessary.

32. Expenditure in foreign currency – ₹ 63,03,565 (P.Y. ₹ 57,76,328)

33. Earning in Foreign Currency (On Cash Basis) – ₹ NIL/-

(As per Receipt & Payment A/c from Tally) (Amount in ₹)

Particulars	2020
Receipt from Export against Invoice	27,00,020
Advance against Export Services	-
Exchange Gain/(Loss) on remittance	(1,500)
Total Earning in Foreign Currency (On Cash Basis)	26,98,520



Notes forming part of the Financial Statements for the period ended 31st March 2020

34. Estimated amount of contracts remaining to be executed on capital account and outstanding net of advances – ₹ Nil (P.Y. Nil)
35. On account of application of Schedule III as per the new Companies Act, 2013 for the preparation of financial statements, the disclosures, classification and presentation made in this financial statement have been significantly impacted / changed. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

FOR QUALISPACE WEB SERVICES PRIVATE LIMITED

Dimple

DIMPLE SHAH

Director

DIN: 07788365

PLACE: MUMBAI

DATE: 04.12.2020

