

INDEPENDENT AUDITORS' REPORT

To the Members of UFO Software Technologies Private Limited

Report on the Ind AS Financial Statements

Opinion

We have audited the standalone Ind AS financial statements of **M/s UFO Software Technologies Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2020, the statement of profit and loss, including the statement of Other Comprehensive Income, the cash flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2020;
- (b) in the case of the Statement of Profit and Loss, of the Loss of the Company including other comprehensive income for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows and the changes in equity 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 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 standalone financial statements.

Responsibility of Management for the IND AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind As financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind As financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those Board of Directors are also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Ind AS financial statement

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

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

- Identify and access 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 control systems 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.

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.

Other Matters

Effects of COVID 19

Management has closely monitored the situation of global pandemic and is of the opinion that there is no significant impact of COVID-19 on the company and its operations.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of 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 B"





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

- i) The Company does not have any pending litigations which would impact its financial position
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SHETTY NAIK & ASSOCIATES

Chartered Accountants

ICAI Reg. No.:124851W

CA. JAGDISH SHETTY

Partner

Membership No: 111936

UDIN: 20111936AAAACW4772

Place: Mumbai

Dated: 17th June, 2020

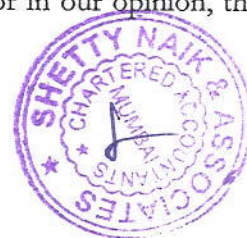


ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

1. (a) According to information and explanations given to us, the Company do not have any fixed assets. Hence, the said sub-clause (a) & (b) is not applicable to the company.

(b) According to information and explanations given to us, and on the basis of our examination of the records of the Company, the company does not own any immovable property and hence the said sub-clause is not applicable in its case.
2. The company is primarily involved in the technology support services. Accordingly, the company does not hold any physical inventories. Thus, the paragraph 3(ii) of the order is not applicable.
3. According to information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company during the year.
4. According to information and explanations given to us, the Company has not granted unsecured loans covered under the provisions of 186 of the Act exceeding the limits prescribed under Sec. 186(2) and hence reporting under Clause(iv) of the CARO 2016 Order is not applicable,
5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under during the year. Therefor in our opinion the provisions of clause (v) of paragraph 3 of the aforesaid order are not applicable to the company for the year under report.
6. According to the information and explanations given to us, the requirement for maintenance of cost records specified by the Central Government under Section 148(1) of the Act is not applicable to the Company during the year and therefor in our opinion, the



provisions of clause (vi) of paragraph 3 of the aforesaid order are not applicable to the company for the year under report.

7. (a) According to the information and explanation given to us, the Company has been generally regular in depositing the undisputed statutory dues including Goods & Service tax, Provident fund, Employee's State Insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to the appropriate authorities. No undisputed amounts payable in respect of aforesaid statutory dues were outstanding as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax and value added tax which have not been deposited on account of any dispute.
8. Based on the audit procedures and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of loans to banks. Accordingly, the provisions of clause 3(viii) of the Order are not applicable to the Company during the year.
9. According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year, accordingly paragraph 3 (ix) of the order is not applicable to the company.
10. According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanation given to us, the Company has not paid any managerial remuneration to its directors, including managing director and whole-time director and its manager. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.



12. The Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
13. The provisions of Section 177 of the Act relating to Audit Committee are not applicable to the Company during the year. According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, the provisions of clause 3(xv) of the Order are not applicable.
16. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, and accordingly paragraph 3 (xvi) of the order is not applicable to the company.

For SHETTY NAIK & ASSOCIATES

Chartered Accountants

ICAI Reg. No.:124851W

CA. JAGDISH SHETTY

Partner

Membership No: 111936

UDIN: 20111936AAAACW4772

Place: Mumbai

Dated: 17th June, 2020



ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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 UFO Software 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 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal



financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

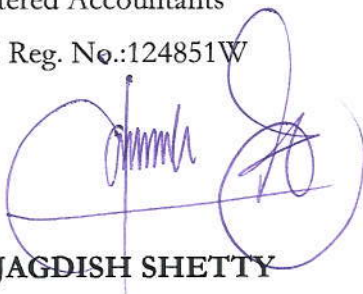
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 Institute of Chartered Accountants of India.

For SHETTY NAIK & ASSOCIATES

Chartered Accountants

ICAI Reg. No.:124851W

**CA. JAGDISH SHETTY**

Partner

Membership No: 111936

UDIN:20111936AAAACW4772

Place: Mumbai

Dated: 17th June, 2020

UFO Software Technologies Private Limited
Balance sheet as at March 31, 2020

Particulars	Notes	31 March 2020	31 March 2019
I. ASSETS			
Non-current assets			
Property, plant and equipment	1	-	-
Capital work-in-progress		-	-
Intangible assets		-	-
Investment in Subsidiaries, Associates and Joint venture		-	-
Financial Assets		-	-
(i) Loans		-	-
(ii) Others financial assets		-	-
Deferred tax assets (net)		-	-
Other non-current assets		-	-
Total Non-Current Assets (A)		-	-
Current Assets			
Inventories		-	-
Financial Assets		-	-
(i) Investments	2	-	-
(ii) Trade receivables		-	-
(iii) Cash and cash equivalents	3	35,65,580	34,18,806
(iii) Bank balances other than (iii) above		-	-
(iv) Loans		-	-
(v) Others financial assets	4	3,75,382	3,42,591
Other current assets	5	15,901	41,958
Total Current Assets (B)		39,56,863	38,03,355
Total Assets (A+B)		39,56,863	38,03,355
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	6	24,82,190	24,82,190
b) Other Equity	7	10,94,525	9,62,665
Total Equity (C)		35,76,715	34,44,855
Non-current liabilities			
Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Other financial liabilities		-	-
Provisions		-	-
Other non-current liabilities		-	-
Total non-current liabilities		-	-
Current liabilities			
Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
Provisions	8	3,80,148	3,58,500
Other current liabilities		-	-
Total current liabilities		3,80,148	3,58,500
Total Liabilities (D)		3,80,148	3,58,500
Total equity and liabilities (C+D)		39,56,863	38,03,355
Summary of significant accounting policies			
	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Shetty Naik & Associates

ICAI Firm Registration No.: 124851W

Chartered Accountants

CA. Jagdish B Shetty

Partner

Membership No.: 111936

Mumbai

Date: June 17, 2020



For and on behalf of the Board of Directors

of UFO Software Technologies Private Limited

CIN: U74899MH2005PTC284653

Ashish Malushte

Director

DIN No.: 00024923

Mumbai

Date: June 17, 2020

Sushil Agrawal

Director

DIN No.: 00003163

Mumbai

Date: June 17, 2020

UFO Software Technologies Private Limited
Statement of Profit and Loss Account for the year ended March 31, 2020

Particulars	Notes	31 March 2020	31 March 2019
Income			
Revenue from operations		-	-
Other income	9	2,55,622	2,32,053
Total Income (I)		2,55,622	2,32,053
Expenses			
Operating direct cost		-	-
Employee benefits expense		-	-
Other expenses	10	79,414	88,762
Total expenses (II)		79,414	88,762
Earnings before interest, tax, depreciation and amortization (EBITDA) (I-II)		1,76,208	1,43,291
Depreciation and amortization expense		-	-
Finance costs		-	-
Finance income		-	-
Profit before tax		1,76,208	1,43,291
Tax expense:			
- Current tax		44,348	50,000
- Deferred tax		-	-
Profit for the period		1,31,860	93,291
Other Comprehensive Income / (Loss)			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
(iii) Remeasurements of the defined benefit plans		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period		1,31,860	93,291
Summary of Significant Accounting Policies			
Earnings per equity share (of Rs 10 each)			
(1) Basic		0.53	0.38
(2) Diluted		0.53	0.38

Summary of significant accounting policies **2.1**

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Shetty Naik & Associates
ICAI Firm Registration No.: 124851W
Chartered Accountants

CA. Jagdish B Shetty
Partner
Membership No.: 111936
Mumbai
Date: June 17, 2020

For and on behalf of the Board of Directors
of UFO Software Technologies Private Limited
CIN: U74899MH2005PTC284653

Ashish Malushte
Director
DIN No.: 00024923
Mumbai
Date: June 17, 2020

Sushil Agrawal
Director
DIN No.: 00003163
Mumbai
Date: June 17, 2020



UFO Software Technologies Private Limited
Cash flow Statement for the year ended March 31, 2020

Particulars	31 March 2020 Rupees	31 March 2019 Rupees
Cash flow from / (used in) operating activities		
Profit before Tax	1,76,208	1,43,291
Adjustments to reconcile profit before tax to net cash flows		
Interest income	(2,55,622)	(2,32,053)
Operating profit before working capital changes	(79,414)	(88,762)
Movements in working capital :		
Increase / (Decrease) in Other Current Assets, Loans & Advances	(2,371)	(90,398)
(Increase) / Decrease in Liabilities and Provisions	(22,700)	26,760
Cash generated from operations	(1,04,485)	(1,52,400)
Direct taxes paid (net of refunds)	(4,363)	(15,260)
Net cash flow from operating activities (A)	(1,08,848)	(1,67,660)
Cash flow from / (used in) investing activities		
Income from Investing Activities	2,55,621	2,32,053
Investment in Fixed Deposit	(35,00,000)	(33,98,873)
Maturity of bank deposits having original maturity more than 3 months (net)	33,98,873	32,00,000
Net cash flow used in investing activities (B)	1,54,494	33,180
Cash flow from / (used in) financing activities	-	-
Net cash flow used in financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalent (A + B + C)	45,646	(1,34,480)
Cash and cash equivalents at the beginning of the year	19,933	1,54,413
Cash and cash equivalents at the end of the year	65,579	19,933
Components of cash and cash equivalents		
Cash on hand	527	526
Balance with banks:		
- on current accounts	65,052	19,407
- unpaid dividend account		
Cash and cash equivalents	65,579	19,933

Notes:

1. The above Cash flow statement has been prepared under the "Indirect Method" set out in IND AS - 7 "Cash Flow Statements"

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Shetty Naik & Associates

ICAI Firm Registration No.: 124851W

Chartered Accountants

CA. Jagdish B Shetty

Partner

Membership No.: 111936

Mumbai

Date: June 17, 2020

**For and on behalf of the Board of Directors
of UFO Software Technologies Private Limited**

CIN: U74899MH2005PTC284653

Ashish Malushte

Director

DIN No.: 00024923

Mumbai

Date: June 17, 2020

Sushil Agrawal

Director

DIN No.: 00003163

Mumbai

Date: June 17, 2020



UFO Software Technologies Private Limited
Statement of Changes in Equity for the year ended March 31, 2020

Particulars	Amount
a) Equity Share Capital	
Particulars	
Balance as at 31 Mar 2019	24,82,190
Shares issued during the year	-
Balance as at 31 Mar 2020	24,82,190

b) Other Equity

Particulars	General Reserve	Securities Premium	Retained Earnings	Other Comprehensive Income	Capital Redemption Reserve	Total
As at 01 April 2018	-	-	8,69,374	-	-	8,69,374
Profit for the year 2018-19			93,291			93,291
Transfer to General Reserve			-			-
Other Comprehensive Income			-			-
Payment of Dividends			-			-
Balance at 31 March 2019	-	-	9,62,665	-	-	9,62,665
Profit for the year 2019-20			1,31,860			1,31,860
Transfer to General Reserve			-			-
Other Comprehensive Income			-			-
Payment of Dividends			-			-
Balance at 31 March 2020	-	-	10,94,525	-	-	10,94,525

For Shetty Naik & Associates
 ICAI Firm Registration No.: 124851W
 Chartered Accountants

CA. Jagdish B. Shetty
 Partner
 Membership No.: 111936
 Mumbai
 Date: June 17, 2020

For and on behalf of the Board of Directors
of UFO Software Technologies Private Limited
 CIN: U74899MH2005PTC284653

Ashish Malushte
 Director
 DIN No.: 00024923
 Mumbai
 Date: June 17, 2020

Sushil Agrawal
 Director
 DIN No.: 00003163
 Mumbai
 Date: June 17, 2020



UFO Software Technologies Private Limited

Notes to financials statements for the year ended March 31, 2020

1. Corporate Information

UFO Software Technologies Private Limited ("the Company") is a private company limited by shares, incorporated and domiciled in India and incorporated under the provisions of the Companies Act applicable in India on 20th September 2005. The Company is into the business of providing software solutions and development. The registered office of the Company is located at Office No.902, 9th Floor, Ackruti Star, Central Road, MIDC, Andheri (East), Mumbai Thane MH 400093.

2. Significant Accounting Policies

2.1 Basis of Preparation

These Financial Statements of the Company have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of The Companies Act, 2013. For all periods up to and for the year ended 31 March 2016, the Company's has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Ind AS).

Accordingly, the Company has prepared these Financial Statements which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss for the year ended March 31, 2020, the Statement of Cash Flows for the year ended March 31, 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'financial statements').

Accounting Policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

The Financial Statement presented on a going concern basis and are presented in 'INR'.

Impact of COVID

In the month of March 2020, the World Health Organization (WHO) declared spread of "Novel Corona Virus (COVID-19)" as a "Global Pandemic". The situation is constantly evolving and the measures put in place by various countries across the world are having wide-ranging impacts on local, provincial, national and global economies. Management has closely monitored the situation and is of the belief that there is no significant impact of COVID-19 on the company and its operations.

2.2 Current versus Non-Current classification

The company presents assets and liabilities in the balance sheet based on current/ non-current classification as per the Company's normal operating cycle, and other criteria set out in Schedule III of the Companies Act, 2013. Based on the nature of products and the time lag between the acquisition of assets for processing and their realisation in cash and cash equivalents, twelve months period has been considered by the Company's as its normal operating cycle.



UFO Software Technologies Private Limited

Notes to financials statements for the year ended March 31, 2020

2.3 Summary of significant accounting policies

a) Use of Estimates

The preparation of Financial Statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

b) Property, Plant and Equipment (PPE):

Recognition and measurement

All items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

- a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired.
- d) Borrowing cost related to acquisition of Property, plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the year in which the costs are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any

Subsequent expenditure

Parts of an item of PPE having different useful lives and significant value and subsequent expenditure on Property, Plant and Equipment arising on account of capital improvement or other factors are accounted for as separate components only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.



UFO Software Technologies Private Limited

Notes to financial statements for the year ended March 31, 2020

c) Depreciation on PPE

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognised using straight line method as per useful life prescribed under Schedule II of The Companies Act, 2013 for the current financial year.

d) Intangible assets

Intangible assets acquired separately with finite useful lives are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

e) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Management periodically assesses using external and internal sources, whether there is an indication that an asset may be impaired.

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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

f) Leases

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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.

Where the Company is the lessor

Assets subject to operating leases are included in property plant and equipment. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

g) Inventories

Inventories comprise of traded goods, stores and spares are valued at cost or at net realisable value whichever is lower. Cost of traded goods, stores and spares is determined on weighted average basis. Stores and spares, which do not meet the definition of property, plant and equipment, are accounted as inventories. Net realizable value is the estimated selling price in the ordinary course of business and estimated costs necessary to make the sale.

h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.



UFO Software Technologies Private Limited

Notes to financials statements for the year ended March 31, 2020

Sale of goods

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer as per the terms of contract and no uncertainty exists regarding the amount of consideration that will be derived from sale of goods. Sales are recorded net of returns, trade discounts.

The Company recognizes revenue from sales of equipment, traded goods and spares as and when these are dispatched/issued to customers.

Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Other than above interest income is recognised on the time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in finance income in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established.

Investments

- Long Term Investments, if any are stated at cost.
- Current Investments, if any are stated at lower of cost or market value.
- Interest on investments are booked on a time proportion basis taking into account the amounts invested and the rate of interest.

i) Foreign currency translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss. In case of Forward exchange contract, the premium or discount arising at the inception of such forward contract is amortised as expense or income over the life of the contract.

j) Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, post-retirement medical benefits and other terminal benefits. Staff benefits comprising contribution to PF, ESIC, Gratuity and Leave Encashment are not applicable to the company and hence, no provision has been made.



UFO Software Technologies Private Limited

Notes to financials statements for the year ended March 31, 2020

k) Current income taxes and deferred tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current Tax:

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws use to compute the amount are those that are enacted or substantively enacted, at the reporting date.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred Tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised for all deductible temporary differences and the carry forward of any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax losses can be utilized, except:

When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible differences associated with investments in subsidiaries deferred tax assets are recognized only to the extent that is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when the same relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax relating to such items are also recognised in other comprehensive income or directly in equity respectively.



UFO Software Technologies Private Limited

Notes to financial statements for the year ended March 31, 2020

Minimum alternate tax (MAT):

Tax liability under Minimum Alternate Tax ("MAT") is considered as current tax. MAT entitlement is considered as deferred tax. Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

l) Miscellaneous Expenditure written Off

Preliminary expenses, if any, incurred during the financial year are written off to the Profit and Loss Account during the year. However, no such adjustments were made during the year.

m) Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for the events for bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

n) Segmental Reporting

The Company is mainly engaged in the business of Software Development.

The Company is mainly engaged in the business of Software Development. As such there are no separate reportable segments in accordance with the requirement of IND AS 108.

o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Long term provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements. The company does not recognize a contingent liability but discloses its existence in the financial statements.



UFO Software Technologies Private Limited

Notes to financial statements for the year ended March 31, 2020

p) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

q) Cash and cash equivalents:

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less, which are subject to insignificant risk of changes in value.

r) Measurement of EBITDA:

As per Guidance Note on Division II- Ind As Schedule III to the Companies Act 2013, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, finance income and tax expense.

s) Significant Accounting Judgements, Estimates and Assumptions:

The preparation of FS, in conformity with the Ind AS, requires judgements, estimates and assumptions to be made, that affect the reported amounts of assets and liabilities on the date of the FS, the reported amounts of revenues and expenses during the reporting period and the disclosures relating to contingent liabilities as of the date of the FS. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in outcomes different from the estimates. Difference between actual results and estimates are recognized in the period in which the results are known or materialise. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Judgements:

In the process of applying the Company's accounting policies, the management makes judgements, which have the most significant effect on the amounts recognised in the FS.

Estimates and Assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of asset and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the FS were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary.



UFO Software Technologies Private Limited
Notes to financial statements for the year ended March 31, 2020

1. Property, Plant and Equipment

	31 March 2020 Rupees	31 March 2019 Rupees
Tangible Assets		
Gross Block		
Computer Systems	1,42,004	1,42,004
Total - Gross Block	1,42,004	1,42,004
Accumulated Depreciation and Impairment		
Computer Systems	1,42,004	1,42,004
Total - Accumulated Depreciation and Impairment	1,42,004	1,42,004
Computer Systems	-	-
Total - Tangible Assets	-	-

2. Financial Assets - Current investments

	31 March 2020 Rupees	31 March 2019 Rupees
	-	-
	-	-

3. Financial Assets - Cash & Cash Equivalents

	31 March 2020 Rupees	31 March 2019 Rupees
Cash and cash equivalents		
Balances with banks :		
– On current accounts	65,052	19,407
– On Other accounts	35,00,001	33,98,873
Cash on hand	527	526
	35,65,580	34,18,806

4. Financial Assets - Other

	31 March 2020 Rupees	31 March 2019 Rupees
Income Tax	2,91,902	2,61,986
Interest accrued but not due on fixed deposit	83,480	80,605
	3,75,382	3,42,591

5. Other Current Assets

	31 March 2020 Rupees	31 March 2019 Rupees
Advance given to creditors	15,901	41,958
	15,901	41,958

6. Equity Share Capital

	31 March 2020 Rupees	31 March 2019 Rupees
Authorised share capital		
2,50,000 (31 March 2019 : 2,50,000) Equity Shares of Rs. 10/- each fully Paid up	25,00,000	25,00,000
	25,00,000	25,00,000
Share capital		
Issued, subscribed and fully paid up shares	24,82,190	24,82,190
Total issued, subscribed and fully paid up share capital	24,82,190	24,82,190

The Company has only one class of equity share having a par value of Rs 10 per share. Members of the Company holding equity share capital therein have right to vote on every resolution placed before the Company and right to receive dividend.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares	31 March 2020		31 March 2019	
	No.	Rupees	No.	Rupees
At the beginning of the year	2,48,219	24,82,190	2,48,219	24,82,190
Issued during the year				
Outstanding at the end of the year	2,48,219	24,82,190	2,48,219	24,82,190

a. Details of shares held by its holding Company, ultimate holding Company and their subsidiaries/associates are as below:

Particulars	Nature of	31 March 2020	31 March 2019
Equity Shares	Holding Company	2,38,219	2,38,219



UFO Software Technologies Private Limited
Notes to financial statements for the year ended March 31, 2020

b. Details of shares in the Company held by each shareholder holding more than 5 percent shares in the Company :

Name of Shareholders	31 March 2020		31 March 2019	
	No of shares held	% of holding	No of shares held	% of holding
UFO International Limited*				
UFO Moviez India Limited*	2,38,219	96	2,38,219	96

On June 22, 2018, the National Company Law Tribunal (NCLT) has approved the Scheme of Arrangement for the amalgamation of UFO Moviez India Limited's wholly owned subsidiary UFO International Limited ("UIL") with the Company ("the Scheme")

Consequent to fulfilment of all the conditions relating to the Scheme including filing of certified copy of the order with the registrar of companies,

the Scheme is effective on June 29, 2018 with effect from the appointed date of April 01, 2016 for the amalgamation of UIL with the Company.

2.2. The Company has not reserved shares for issue under options and contracts/ commitments for the sale of Shares/ disinvestments.

2.3 As on Balance sheet date the Company did not issue any equity shares as fully paid pursuant to contracts, without payment being received in cash or any fully paid bonus shares

7. Other Equity

	31 March 2020	31 March 2019
	Rupees	Rupees
Balance as per last financial statement	9,62,665	8,69,374
Add: Net (Loss)/ Profit during the year	1,31,860	93,291
Total other equity	10,94,525	9,62,665

8. Short Term Provision

	31 March 2020	31 March 2019
	Rupees	Rupees
Income Tax provision	3,68,348	3,24,000
Audit fees payable	11,800	34,500
	3,80,148	3,58,500

9. Other income

	31 March 2020	31 March 2019
	Rupees	Rupees
Other Non- operating Income		
Interest Received	2,55,622	2,32,053
	2,55,622	2,32,053

10. Other expenses

	31 March 2020	31 March 2019
	Rupees	Rupees
Audit remuneration	11,800	11,500
Filing Charges	-	5,030
Legal & Professional Charges	63,885	71,512
Bank Charges	74	-
Interest on TDS	155	-
Revenue Stamp Expenses	3,500	720
	79,414	88,762

11. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. Nil (March 31, 2019 :Rs. Nil)

12. Earning Per Share

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2020	31 March 2019
	Rupees	Rupees
Basic		
Net profit after tax as per statement of profit and loss for calculation of basic EPS	1,31,860	93,291
Less : dividends on convertible preference shares and tax thereon	-	-
Net profit for calculation of basic EPS	1,31,860	93,291
Weighted average number of equity shares in calculating basic EPS	2,48,219	2,48,219
Earning per share	0.53	0.38
Diluted		
Net profit for calculation of basic EPS	1,31,860	93,291
Add : dividends on convertible preference share	-	-
Net profit for calculation of diluted EPS	1,31,860	93,291
Weighted average number of equity shares in calculating basic EPS	2,48,219	2,48,219
Earning per share	0.53	0.38



UFO Software Technologies Private Limited
Notes to financials statements for the year ended March 31, 2020

13. Related Party

Names of the related parties and description of relationship:-

Name of the Related Party	Relationship
UFO Moviez India Limited	Holding Companies
Mr. Ashish Malushte Mr. Sushil Kumar Agrawal	Key Management Personnel (Board of Directors)

There are no transactions with related parties during the current and previous financial year.

14. In the opinion of the Board of Directors, current assets, loans and advances are approximately of value as stated, if realized in the ordinary course of business and the provision for all known liabilities is made and the same is not in excess of the amount reasonably necessary and there are no personal expenses debited to Profit & Loss Account.

15. Micro, Small and Medium Enterprises Development Act, 2006:

Under the Micro, Small and Medium Enterprises Development Act, 2006 read with notification 8/7/2006 - CDN dated May 17, 2007, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of this Act is not expected to be material.

16. Figures of the previous year have been reworked, regrouped, rearranged and reclassified wherever necessary to correspond with the current year's classification/ disclosure.

17. Value of imports by the company during the year calculated on CIF basis, in respect of raw materials, of components and spare parts : Rs.Nil (March 31, 2019 : Rs.Nil)

18. Expenditure in foreign currency during the year on account of royalty, know-how, professional consultation fees and other matters.: Rs. Nil (March 31, 2019 : Rs.Nil)

19. Value of imported raw materials, spare parts and components consumed during the year: Rs. Nil (March 31, 2019 : Rs.Nil)

20. Amount remitted during the year in foreign currency on account of dividends : Rs.Nil (March 31, 2019 : Rs.Nil)

21. Earnings in foreign exchange:

	31 March 2020 Rupees	31 March 2019 Rupees
Export of goods calculated on FOB basis	-	-
Royalty, know-how and professional and consultation fees	-	-
Interest and Dividend	-	-
Other Income	-	-

22. Payment to auditors

	31 March 2020 Rupees	31 March 2019 Rupees
Audit fee	11,800	11,500
	11,800	11,500

23. No provision for impairment of assets of the company is required, as in the opinion of the management, realizable value of all the assets and their net present value of estimated future cash flows expected to arise from the assets taken as a whole will realize at least the value at which they appear in the books of accounts in aggregate, as required by Accounting Standard 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India.

For Shetty Naik & Associates

ICAI Firm Registration No.: 124851W
Chartered Accountants

CA. Jagdish B Shetty
Partner
Membership No.: 111936
Mumbai
Date: June 17, 2020



**For and on behalf of the Board of Directors
of UFO Software Technologies Private Limited**
CIN: U74899MH2005PTC284653

Ashish Malushte
Director
DIN No.: 00024923
Mumbai
Date: June 17, 2020

Sushil Agrawal
Director
DIN No.: 00003163
Mumbai
Date: June 17, 2020