



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SOLIX SOFTECH PRIVATE LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Solix Softech Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the afore said 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and cash flows 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 Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

**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 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 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 including 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 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) 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 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 material foreseeable losses.
- iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

**For Rameshwar Rao and Co.,**

Chartered Accountants

FRN: 010887S



V Vasudeva Reddy

Partner

Membership No. 209546



Place : Hyderabad

Date : 19/06/2020

UDIN :- 20209546AAAABO7743

**ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF M/s. SOLIX SOFTECH PRIVATE LIMITED**

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
  
b) The fixed assets of the Company have been physically verified by the management during the year. According to the information furnished to us, discrepancies between book records and physical inventory noticed during verification were not material and have been properly dealt with in the books of account.  
  
c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. According to the information and explanation given to us, the management has conducted physical verification of inventory at reasonable intervals during the year. Inventory in-transit have been verified by the management with reference to the subsequent receipt of goods. The discrepancies noticed on verification between the physical stock and book records were not material in relation to the operations of the Company and have been properly dealt with in the books of account.
3. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the reporting requirements of clause 3(iii) of the Order are not applicable to the Company and not commented upon.
4. In our opinion and according to the information and explanations given to us, the Company has not given any loans, made investments, issued guarantees and security in terms of Section 185 and 186 of the Act. Accordingly, the reporting requirements of clause 3(iv) of the Order are not applicable to the Company and not commented upon.
5. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 73 and 76 of the Act and the rules framed there under.
6. The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the products of the Company.
7. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including income-tax and other material statutory dues as applicable with the appropriate authorities,

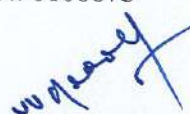


- b) According to the information and explanations given to us and the records of the Company examined by us, there were no dues of income tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to banks and financial institutions.
  9. In our opinion and according to the information and explanation given to us the Company has not raised any term loans during the year.
  10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
  11. In Our Opinion and according to the Information and Explanation given to us, the Company has paid managerial remuneration as per the provisions of Section 197 read with Schedule V of Companies act 2013.
  12. The Company is not a Nidhi Company; hence reporting is not applicable under clause (Xii) of paragraph 3.
  13. In our Opinion and according to the information and explanations given to us the Company's transaction with its related party are in compliance with section 177 and 188 of companies act,2013.
  14. During the year Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (XiV) of paragraph 3 of the order is not applicable.
  15. In our opinion and according to the explanations given to us, the Company has not entered any Cash transactions with its Directors or persons Connected with him and hence reporting under clause(XV) of paragraph 3 is not applicable.
  16. In our opinion and according to the explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act,1934.

**For Rameshwar Rao and Co.,**

Chartered Accountants

FRN: 010887S

  
V Vasudeva Reddy

Partner

Membership No. 209546



Place : Hyderabad

Date : 19/06/2020

**SOLIX SOFTECH PVT LTD**

CIN: U72200TG2011PTC078231

Balance Sheet as at March 31, 2020

| Particulars   | Notes | March 31, 2020  | March 31, 2019  |
|---|-------|-----------------|-----------------|
| <b>ASSETS</b>   |       |                 |                 |
| <b>Non-current assets</b>   |       |                 |                 |
| Property, plant and equipment   | 3     | 1505994         | 685670          |
| Intangible assets   |       | 0               | 0               |
| Deferred tax assets (net)   | 4     | 46918           | 83909           |
| <b>Total non-current assets</b>   |       | <b>1552913</b>  | <b>769579</b>   |
| <b>Current assets</b>   |       |                 |                 |
| Financial assets  |       |                 |                 |
| Trade receivables   | 6     | 21072109        | 11276066        |
| Cash and cash equivalents   | 7     | 575598          | 8013889         |
| Other current assets  | 5     | 1222040         | 1008143         |
| <b>Total current assets</b>   |       | <b>22869747</b> | <b>20298098</b> |
| <b>Total assets</b>   |       | <b>24422660</b> | <b>21067677</b> |
| <b>EQUITY AND LIABILITIES</b>   |       |                 |                 |
| <b>Equity</b>   |       |                 |                 |
| Equity share capital  | 8     | 100000          | 100000          |
| Other equity  |       | 0               | 0               |
| Retained earnings   |       | 14324419        | 13271213        |
| <b>Total equity</b>   |       | <b>14424419</b> | <b>13371213</b> |
| <b>Liabilities</b>  |       |                 |                 |
| <b>Non-current liabilities</b>  |       |                 |                 |
| Financial liabilities   |       |                 |                 |
| Borrowings  |       | 0               | 0               |
| Provisions  |       | 0               | 0               |
| Other non-current liabilities   |       | 0               | 0               |
| <b>Total non-current liabilities</b>  |       | <b>0</b>        | <b>0</b>        |
| <b>Current liabilities</b>  |       |                 |                 |
| Financial liabilities   |       |                 |                 |
| Borrowings  |       | 0               | 0               |
| Trade payables  |       | 0               | 0               |
| -total outstanding dues of micro enterprises and small enterprises          |       |                 |                 |
| -total outstanding dues of creditors other than micro enterprises and small | 9     | 217822          | 306705          |
| Current maturities and other liabilities                                    |       | 0               | 0               |
| Other current liabilities   | 10    | 9446053         | 6987457         |
| Income tax liabilities (net)  | 11    | 334366          | 402303          |
| <b>Total current liabilities</b>  |       | <b>9998241</b>  | <b>7696464</b>  |
| <b>Total - equity and liabilities</b>                                       |       | <b>24422660</b> | <b>21067677</b> |
| Summary of significant accounting policies                                  | 2.2   |                 |                 |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Rameshwar Rao and Co  
Chartered Accountants  
FRN 010887S

V Vasudeva Reddy  
Partner  
M No 209546

Place : Hyderabad  
Date : 19.06.2020



For and on behalf of the Board of Directors

P S Somayajulu  
Director  
DIN 05221729

V Bhanu Prakash  
Director  
DIN 05221738



SOLIX SOFTECH PVT LTD

CIN: U72200TG2011PTC078231

Statement of Profit and Loss for the year ended March 31, 2020

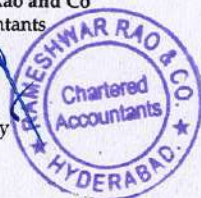
|       | Particulars   | Notes | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|-------|---|-------|-----------------------------------|-----------------------------------|
| I.    | <b>INCOME</b>   |       |                                   |                                   |
|       | Revenue from operations   | 12    | 107,931,761                       | 83,539,730                        |
|       | Less: Excise Duty   |       | -                                 | -                                 |
|       | Revenue from Operations (Net)   |       | 107,931,761                       | 83,539,730                        |
|       | Other income  | 13    | 13,797                            | 598,831                           |
|       | <b>Total income ( I )</b>   |       | <b>107,945,558</b>                | <b>84,138,561</b>                 |
| II.   | <b>EXPENSES</b>   |       |                                   |                                   |
|       | Cost of materials consumed  |       | -                                 | -                                 |
|       | Purchase of traded goods  |       | -                                 | -                                 |
|       | Changes in inventories of finished goods, work-in-progress and stock-in-trade       |       | -                                 | -                                 |
|       | Excise duty   |       | -                                 | -                                 |
|       | Other Manufacturing Expenses  | 21    | -                                 | -                                 |
|       | Employee benefits expenses  | 14    | 101,819,473                       | 79,572,419                        |
|       | Other expenses  | 15    | 4,208,521                         | 2,799,827                         |
|       | <b>Total expenses ( II )</b>  |       | <b>106,027,994</b>                | <b>82,372,245</b>                 |
| III.  | <b>Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)</b> |       | <b>1,917,564</b>                  | <b>1,766,316</b>                  |
|       | Depreciation and amortisation   | 3     | 458,556                           | 431,648                           |
|       | Finance costs   | 16    | 34,444                            | 46,703                            |
| IV.   | <b>Profit before Exceptional Items and Tax</b>                                      |       | <b>1,424,563</b>                  | <b>1,287,964</b>                  |
|       | Exceptional Items   |       | -                                 | -                                 |
| IV    | <b>Profit before Tax</b>  |       | <b>1,424,563</b>                  | <b>1,287,964</b>                  |
| V.    | <b>Tax expense</b>  | 17    |                                   |                                   |
|       | Current tax   |       | 334,366                           | 338,980                           |
|       | Deferred tax  |       | 36,991                            | (51,241)                          |
|       | <b>Income tax expense</b>   |       | <b>371,357</b>                    | <b>287,738</b>                    |
| VI.   | <b>Profit for the year from Continuing Operations (IV-V)</b>                        |       | <b>1,053,207</b>                  | <b>1,000,226</b>                  |
| VII.  | <b>Profit/Loss for the year from Discontinued Operations</b>                        |       | -                                 | -                                 |
| VIII. | <b>Tax expense of Discontinued Operations</b>                                       |       | -                                 | -                                 |
| IX.   | <b>Profit/Loss for the year from Discontinued Operations after Tax</b>              |       | -                                 | -                                 |
| X.    | <b>Profit/Loss for the Year (VI+IX)</b>   |       | <b>1,053,207</b>                  | <b>1,000,226</b>                  |
| XI.   | <b>Other Comprehensive Income</b>   |       |                                   |                                   |
|       | 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   |       | -                                 | -                                 |
|       | 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       |       | -                                 | -                                 |
|       | <b>Total Comprehensive Income for the Period (X+XI) (Comprising</b>                 |       | <b>1,053,207</b>                  | <b>1,000,226</b>                  |
| XII.  | <b>Profit/(Loss) &amp; Other Comprehensive Income for the period)</b>               |       | <b>1,053,207</b>                  | <b>1,000,226</b>                  |
| XIII. | <b>Earning per Equity Share(for continuing operations):</b>                         |       |                                   |                                   |
|       | Basic   |       | 105.32                            | 100.02                            |
|       | Diluted   |       | 105.32                            | 100.02                            |
| XIV.  | <b>Earning per Equity Share(for discontinuing operations):</b>                      |       |                                   |                                   |
|       | Basic   |       | -                                 | -                                 |
|       | Diluted   |       | -                                 | -                                 |
| XV.   | <b>Earning per Equity Share(for continuing and discontinuing operations):</b>       |       |                                   |                                   |
|       | Basic   |       | 105.32                            | 100.02                            |
|       | Diluted   |       | 105.32                            | 100.02                            |
|       | Summary of significant accounting policies  | 2.2   |                                   |                                   |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Rameshwar Rao and Co  
Chartered Accountants  
FRN 0108875

V Vasudeva Reddy  
Partner  
M No 209546

Place : Hyderabad  
Date : 19.06.2020



For and on behalf of the Board of Directors

P S Somayajulu  
Director  
DIN 05221729

V Bhanu Prakash  
Director  
DIN 05221738



SOLIX SOFTECH PVT LTD

CIN: U72200TG2011PTC078231

Statement of Changes in Equity for the year ended March 31, 2020

| a. Equity share capital  |                      |                    |                              |                   |                                      |  |            |
|--|----------------------|--------------------|------------------------------|-------------------|--------------------------------------|--|------------|
| Equity shares of Rs.10 each, fully paid up   |                      | No.                |                              |                   | Rs.                                  |  |            |
| As at March 31, 2017   |                      | 10,000             |                              |                   | 100,000                              |  |            |
| Issued during the year - ESOP  |                      |                    |                              |                   | -                                    |  |            |
| As at March 31, 2018   |                      | 10,000             |                              |                   | 100,000                              |  |            |
| Issued during the year - ESOP  |                      |                    |                              |                   | -                                    |  |            |
| As at March 31, 2019   |                      | 10,000             |                              |                   | 100,000                              |  |            |
| Issued during the year - ESOP  |                      |                    |                              |                   | -                                    |  |            |
| As at March 31, 2020   |                      | 10,000             |                              |                   | 100,000                              |  |            |
| b. Other equity  |                      |                    |                              |                   |                                      |  |            |
| Particulars  | Reserves and surplus |                    |                              |                   | Other comprehensive income           |  | Total      |
|  | Capital reserve      | Securities Premium | Share based payments reserve | Retained Earnings | Effective portion of cash flow hedge | Re-measurement gains or losses on employee defined benefit plans |            |
| As at March 31, 2017   | -                    | -                  | -                            | 11,367,241        | -                                    | -  | 11,367,241 |
| Profit for the year  | -                    | -                  | -                            | 903,746           | -                                    | -  | 903,746    |
| Expense arising from equity-settled share-based payment transactions                           | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Transferred from stock options outstanding   | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Final dividend on equity shares (refer note no. 12)  | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Tax on final dividend on equity shares (refer note no. 12)                                     | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Remeasurement on net defined benefit liability, net of tax (refer note no. 24)                 | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| As at March 31, 2018   | -                    | -                  | -                            | 12,270,987        | -                                    | -  | 12,270,987 |
| Profit for the year  | -                    | -                  | -                            | 1,000,226         | -                                    | -  | 1,000,226  |
| Expense arising from equity-settled share-based payment transactions                           | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Transferred from stock options outstanding   | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Final dividend on equity shares (refer note no. 12)  | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Tax on final dividend on equity shares (refer note no. 12)                                     | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Effective portion of changes in fair value of cash flow hedges, net of tax (refer note no. 24) | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Remeasurement on net defined benefit liability, net of tax                                     | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| As at March 31, 2019   | -                    | -                  | -                            | 13,271,213        | -                                    | -  | 13,271,213 |
| Profit for the year  | -                    | -                  | -                            | 1,053,207         | -                                    | -  | 1,053,207  |
| Expense arising from equity-settled share-based payment transactions                           | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Transferred from stock options outstanding   | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Final dividend on equity shares (refer note no. 12)  | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Tax on final dividend on equity shares (refer note no. 12)                                     | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Effective portion of changes in fair value of cash flow hedges, net of tax (refer note no. 24) | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| Remeasurement on net defined benefit liability, net of tax                                     | -                    | -                  | -                            | -                 | -                                    | -  | -          |
| As at March 31, 2020   | -                    | -                  | -                            | 14,324,419        | -                                    | -  | 14,324,419 |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Rameshwar Rao and Co  
Chartered Accountants  
FRN 010887S

V Vasudeva Reddy  
Partner  
M No 209546



For and on behalf of the Board of Directors

P S Somayajulu  
Director  
DIN 05221729

V Bharu Prakash  
Director  
DIN 05221738



Place : Hyderabad  
Date : 19.06.2020

**SOLIX SOFTECH PVT LTD**  
CIN: U72200TG2011PTC078231  
Statement of Cash Flows for the year ended March 31, 2020

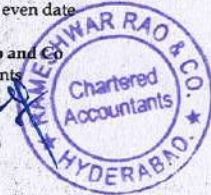
| Particulars   | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
|---|--------------------------------------|--------------------------------------|
| <b>Profit before tax</b>  | 1,424,563                            | 1,287,964                            |
| <b>Cash Flows from operating activities</b>   |                                      |                                      |
| Adjustments for :   |                                      |                                      |
| Depreciation of property, plant and equipment   | 458,556                              | 431,648                              |
| Amortisation of intangible assets   | -                                    | -                                    |
| Loss on sale of fixed assets (net)  | -                                    | -                                    |
| Finance income  | -                                    | -                                    |
| Interest expense  | -                                    | -                                    |
| Share based payment expense   | -                                    | -                                    |
| Net loss/ (gain) on foreign exchange fluctuations (unrealised)  | -                                    | -                                    |
| Deferred tax  | -                                    | -                                    |
| Provisions no longer required written back  | -                                    | -                                    |
| Allowance for/ (Reversal of) bad and doubtful advance and debts   | -                                    | -                                    |
| Profit on sale of investment  | -                                    | -                                    |
| Provision for insurance claim receivable  | -                                    | -                                    |
| Gratuity and compensated absences   | -                                    | -                                    |
| <b>Operating profit before working capital changes</b>  | 1,883,119                            | 1,719,612                            |
| <b>Movement in working capital:</b>   |                                      |                                      |
| Increase in inventories   | -                                    | -                                    |
| (Increase)/ decrease in trade receivables   | (9,796,043)                          | (1,796,681)                          |
| (Increase)/ decrease in other current Assets  | (213,897)                            | (648,713)                            |
| Increase in long term loans and advances  | -                                    | -                                    |
| (Increase)/ Decrease in short term loans and advances   | -                                    | -                                    |
| (Increase)/ decrease in financial and non-financial assets  | -                                    | -                                    |
| Increase in trade payables  | (88,883)                             | 61,055                               |
| Increase in other current liabilities   | 2,458,596                            | 2,736,328                            |
| Increase/ (decrease) in financial, non-financial liabilities and provisions   | -                                    | -                                    |
| <b>Cash generated from operations</b>   | (5,757,108)                          | 2,071,601                            |
| Income tax paid   | (402,303)                            | (300,000)                            |
| <b>Net cash flows from operating activities (A)</b>   | (6,159,411)                          | 1,771,601                            |
| <b>Cash flows used in investing activities</b>  |                                      |                                      |
| Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances | (1,278,880)                          | (366,008)                            |
| Proceeds from sale of property, plant and equipment   | -                                    | -                                    |
| Movement in other bank balances   | -                                    | -                                    |
| Investment in subsidiaries  | -                                    | -                                    |
| Acquisition of Business combinations (refer note no. 42)  | -                                    | -                                    |
| Interest received   | -                                    | -                                    |
| <b>Net cash flows used in investing activities (B)</b>  | (1,278,880)                          | (366,008)                            |
| <b>Net cash flows from financing activities</b>   |                                      |                                      |
| Proceeds from exercise of employee stock options  | -                                    | -                                    |
| Repayment of long - term borrowings   | -                                    | -                                    |
| Proceeds from long - term borrowings  | -                                    | -                                    |
| Proceeds from Short - term borrowings (net)   | -                                    | -                                    |
| Dividend paid   | -                                    | -                                    |
| Tax on dividend   | -                                    | -                                    |
| Interest paid   | -                                    | -                                    |
| <b>Net cash flows from/(used in) financing activities (C)</b>   | -                                    | -                                    |
| <b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>  | (7,438,291)                          | 1,405,593                            |
| <b>Cash and cash equivalents at the beginning of the year</b>   | 8,013,887                            | 6,608,294                            |
| <b>Cash and cash equivalents at the year end</b>  | 575,597                              | 8,013,887                            |
| <b>Components of cash and cash equivalents:</b>   |                                      |                                      |
| Cash on hand  | 11,396                               | 17,189                               |
| Balances with banks   | 564,201                              | 7,996,699                            |
| On current accounts   | -                                    | -                                    |
| <b>Total cash and cash equivalents</b>  | 575,596                              | 8,013,887                            |

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

For Rameshwar Rao and Co  
Chartered Accountants  
FRN 0108875

(V Vasudeva Reddy)  
Partner  
M No 209546

Place : Hyderabad  
Date : 19.06.2020



For and on behalf of the Board of Directors



P S Somaiah  
Director  
DIN 05221733

V Bhanu Prakash  
Director  
DIN 05221738

*(Handwritten signatures and initials)*

**SOLIX SOFTECH PVT LTD**

**CIN: U72200TG2011PTC078231**

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

**1. Corporate information**

Solix Softech Private Limited (the "Company") offers software solutions to its clients. The Company is a private limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated

**2. Significant accounting policies**

**2.1 Basis of preparation**

- (a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

**2.2 Summary of significant accounting policies**

**(a) Foreign currencies**

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

**Transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

**(b) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

**Sale of services**

Revenue from contract research operations is recognised based on services performed till date as a percentage of total services. The agreed milestones are specified in the contracts with customers which determine the total services to be performed.

**(c) Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.



**SOLIX SOFTECH PVT LTD**

CIN: U72200TG2011PTC078231

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

(d) **Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

(e) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(f) **Managerial Remuneration**

| Particulars   | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| Salaries, bonus and allowances to Managing Director | -              | -              |
|   | -              | -              |

(g) **Auditors Remuneration**

| Particulars          | March 31, 2020 | March 31, 2019 |
|----------------------|----------------|----------------|
| Statutory Audit Fees | 35,400         | 30,000         |
|                      | 35,400         | 30,000         |

(h) **Trade Payables (Details of dues to Micro, Small and Medium Enterprises as per MSMED Act,2006):**

| Particulars  | March 31, 2020 | March 31, 2019 |
|--|----------------|----------------|
| The principal amount and the interest due thereon (to be shown separately) | -              | -              |
| <b>Total</b>   | -              | -              |

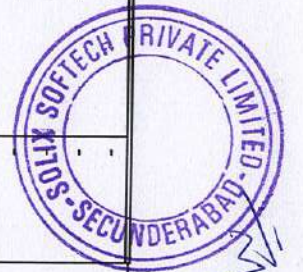
**Related party disclosures**

| Names of related parties and description of relationship      |                    |                   |
|---|--------------------|-------------------|
| Name of the related party                                     | Relationship       |                   |
| <b>Key Management Personnel</b><br>M/S SOLIX TECHNOLOGIES INC | Holding Company    |                   |
| i) SUBBANNA SOMAYAJULU PONNAPALLI                             | Director           |                   |
| ii) BHANU PRAKASH VALIVETI                                    | Director           |                   |
| Transactions with related parties                             | March 31, 2020     | March 31, 2019    |
| M/s. Solix Technologies Inc., USA                             | 107931761          | 78,436,818        |
| Ponnappalli Subbanna Somayajulu                               | 2,838,384          | 2,965,194         |
| Valiveti Bhanu Prakash  | 3147668            | 2,727,654         |
| <b>Total</b>  | <b>113,917,813</b> | <b>84,129,666</b> |



3. Property, plant and equipment

| Particulars                 | Freehold land | Buildings* | Plant and equipment | Furniture and fixtures | Computers | Vehicles | Electrical Equipment | Computer Software | Office Equipment | Total Property, plant and equipment |
|-----------------------------|---------------|------------|---------------------|------------------------|-----------|----------|----------------------|-------------------|------------------|-------------------------------------|
| <b>Gross carrying value</b> |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| As at March 31, 2017        | -             | -          | -                   | 30,200                 | 967,709   | -        | 294,488              | -                 | -                | 1,292,397                           |
| Additions                   |               |            |                     |                        | 154,407   |          | 24,591.00            | 67,047.00         |                  | 496,780                             |
| Acquisitions                |               |            |                     | 250,735                |           |          |                      |                   |                  |                                     |
| Disposals                   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| <b>As at March 31, 2018</b> | -             | -          | -                   | 280,935                | 1,122,116 | -        | 319,079              | 67,047            | -                | 1,789,177                           |
| Additions                   |               |            |                     |                        | 351,008   |          | 15,000.00            |                   |                  | 366,008                             |
| Acquisitions                |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| Disposals                   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| <b>As at March 31, 2019</b> | -             | -          | -                   | 280,935                | 1,473,124 | -        | 334,079              | 67,047            | -                | 2,155,185                           |
| Additions                   |               |            |                     |                        | 1,276,722 |          | -                    |                   | 2,158.00         | 1278880                             |
| Acquisitions                |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| Disposals                   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| <b>As at March 31, 2020</b> | -             | -          | -                   | 280,935                | 2,749,846 | -        | 334,079              | 67,047            | 2,158            | 3,434,065                           |
| <b>Depreciation</b>         |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| As at March 31, 2017        | -             | -          | -                   | 3,138                  | 672,506   | -        | 21,951               | -                 | -                | 697,595                             |
| Charge for the year         |               |            |                     | 25,351                 | 204,208   |          | 100,359              | 10,354            |                  | 340,272                             |
| Disposals                   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| <b>As at March 31, 2018</b> | -             | -          | -                   | 28,489                 | 876,714   | -        | 122,310              | 10,354            | -                | 1,037,867                           |
| Charge for the year         |               |            |                     | 46,503                 | 190,240   |          | 173,673              | 21,232            |                  | 431,648                             |
| Disposals                   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| <b>As at March 31, 2019</b> | -             | -          | -                   | 74,992                 | 1,066,954 | -        | 295,983              | 31,586            | -                | 1,469,515                           |
| Charge for the year         |               |            |                     | 23,820                 | 400,763   |          | 12,537               | 21,232            | 204              | 458,556                             |
| Disposals                   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| <b>As at March 31, 2020</b> | -             | -          | -                   | 98,812                 | 1,467,717 | -        | 308,520              | 52,818            | -                | 1,928,071                           |
| <b>Net carrying value</b>   |               |            |                     |                        |           |          |                      |                   |                  |                                     |
| As at March 31, 2017        | -             | -          | -                   | 27,062                 | 295,203   | -        | 272,537              | -                 | -                | 594,802                             |
| As at March 31, 2018        | -             | -          | -                   | 252,446                | 245,402   | -        | 196,769              | 56,693            | -                | 751,310                             |
| As at March 31, 2019        | -             | -          | -                   | 205,943                | 406,170   | -        | 38,096               | 35,461            | -                | 685,670                             |
| As at March 31, 2020        | -             | -          | -                   | 182,123                | 1,282,129 | -        | 25,559               | 14,229            | 2,158            | 1,505,994                           |



**SOLIX SOFTECH PVT LTD**

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Notes to Financial Statements for the year ended March 31, 2020

| 4 Deferred tax assets (Net)   |              |                   |                   |
|---|--------------|-------------------|-------------------|
| Particulars   |              | March 31, 2020    | March 31, 2019    |
| <b>Deferred tax liability</b>   |              |                   |                   |
| Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment |              | 36,991            | -                 |
| Income tax on deferred revenue on embedded leases   |              | -                 | -                 |
| (A)   |              | <b>36,991</b>     | <b>-</b>          |
| <b>Deferred tax asset</b>   |              |                   |                   |
| Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment |              | 83,909            | 83,909            |
| (B)   |              | <b>83,909</b>     | <b>83,909</b>     |
| <b>Deferred tax assets (Net)</b>  | <b>(A+B)</b> | <b>46,918</b>     | <b>83,909</b>     |
| For the year ended March 31, 2020:  |              |                   |                   |
| 5 Other assets  |              |                   |                   |
| Current (unsecured, considered good unless otherwise)   |              |                   |                   |
| Particulars   |              | March 31, 2020    | March 31, 2019    |
| Security deposits   |              | 63,972            | 1,000             |
| Advances recoverable in cash or kind  |              | 245,364           | 35,000            |
| Unamortised processing fee  |              |                   |                   |
| Prepayments   |              | 103,538           | 102,999           |
| Balances with statutory/Government authorities  |              | 609,166           | 769,144           |
| Unadjusted share issue expenses   |              |                   |                   |
| Advance tax paid  |              | 200,000           | 100,000           |
| Others  |              |                   |                   |
| <b>Total</b>  |              | <b>1,222,040</b>  | <b>1,008,143</b>  |
| 6 Trade receivables   |              |                   |                   |
| Particulars   |              | March 31, 2020    | March 31, 2019    |
| Unsecured   |              |                   |                   |
| Considered good   |              | 21,072,109        | 11,276,066        |
| Reveivable from related parties   |              | -                 | -                 |
| Credit impaired   |              | -                 | -                 |
|   |              | 21,072,109        | 11,276,066        |
| Less: Allowance for doubtful debts  |              |                   | -                 |
|   |              | <b>21,072,109</b> | <b>11,276,066</b> |
| 7 Cash and cash equivalents and other bank balances   |              |                   |                   |
| Particulars   |              | March 31, 2020    | March 31, 2019    |
| <b>Cash and cash equivalents</b>  |              |                   |                   |
| Balances with banks   |              | 564201            | 7996699           |
| - On current accounts   |              | 0                 | 0                 |
| - On Dividend Accounts  |              | 0                 | 0                 |
| - Deposits with original maturity of less than three months   |              | 0                 | 0                 |
| Cash on hand  |              | 11396             | 17189             |
|   |              | <b>575596</b>     | <b>8013887</b>    |



**SOLIX SOFTECH PVT LTD**  
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Notes to Financial Statements for the year ended March 31, 2020

| 8           | Equity share capital   | March 31, 2020            | March 31, 2019            |
|-------------|--|---------------------------|---------------------------|
|             | <b>Particulars</b>   |                           |                           |
|             | <b>Authorised</b>  |                           |                           |
|             | 10,000 (March 31, 2020: 10,000) Equity shares of Rs.10/- each  | 100,000                   | 100,000                   |
|             | <b>Total</b>   | 100,000                   | 100,000                   |
|             | <b>Issued, Subscribed and Paid Up</b>  |                           |                           |
|             | 10,000 (March 31, 2020: 10,000) Equity shares of Rs.10/- each  | 100,000                   | 100,000                   |
|             | <b>Total</b>   | 100,000                   | 100,000                   |
| <b>8.1</b>  | <b>Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>  |                           |                           |
|             |  | <b>For the year ended</b> | <b>For the year ended</b> |
|             |  | <b>March 31, 2020</b>     | <b>March 31, 2019</b>     |
|             |  | <b>No. Rs.</b>            | <b>No. Rs.</b>            |
|             | <b>Equity Shares of Rs.10 each, fully paid up</b>  |                           |                           |
|             | Balance as per last financial statements   | 10,000 100,000            | 10,000 100,000            |
|             | Issued during the year - ESOP  | - -                       | - -                       |
|             | <b>Outstanding at the end of the year</b>  | <b>10,000 100,000</b>     | <b>10,000 100,000</b>     |
| <b>8.2</b>  | <b>Rights attached to equity shares</b>  |                           |                           |
|             | The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company.   |                           |                           |
|             | The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.  |                           |                           |
| <b>8.2a</b> | <b>Liquidation terms and preferential rights</b>   |                           |                           |
|             | The liquidation terms of the equity shares are as follows:   |                           |                           |
|             | (a) If the company shall be wound up, the Liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. |                           |                           |
|             | (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.  |                           |                           |
| <b>8.3</b>  | <b>Details of shareholders holding more than 5% shares of the Company:</b>   |                           |                           |
|             | <b>Particulars</b>   | <b>March 31, 2020</b>     | <b>March 31, 2019</b>     |
|             | <b>Equity shares of Rs. 10/- each held by</b>  | <b>% Holding No.</b>      | <b>% Holding No.</b>      |
|             | M/S SOLIX TECHNOLOGIES INC   | 99% 9,999                 | 99% 9,999                 |

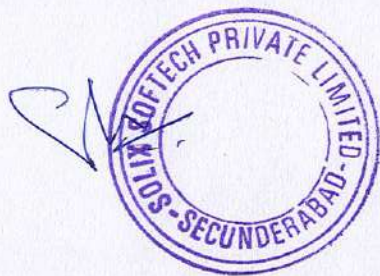


**SOLIX SOFTECH PVT LTD**

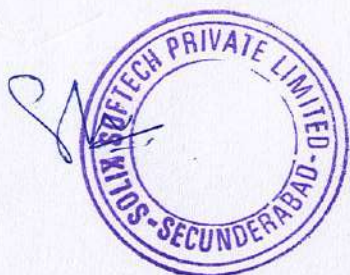
CIN: U72200TG2011PTC078231

Notes to Financial Statements for the year ended March 31, 2020

| <b>9 Financial liabilities</b>   |                       |                       |
|--|-----------------------|-----------------------|
| <b>Particulars</b>   | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| <b>Trade payables</b>  |                       |                       |
| <b>Particulars</b>   | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| <b>Valued at amortised cost</b>  |                       |                       |
| - Total outstanding dues to creditors other than micro enterprises and small enterprises   | 217,822               | 306,705               |
| - Outstanding dues to related parties  | -                     | -                     |
|  | <b>217,822</b>        | <b>306,705</b>        |
| - Total outstanding dues to micro enterprises and small enterprises  | -                     | -                     |
| <b>Valued at fair value through profit or loss</b>   |                       |                       |
| - Outstanding derivate contracts   | -                     | -                     |
|  | -                     | -                     |
| Terms and conditions of the above financial liabilities:<br>a) Trade payables are non-interest bearing and are normally settled on 30-120 day terms. |                       |                       |
| <b>10 Other non-current and current liabilities</b>  |                       |                       |
| <b>Particulars</b>   | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| <b>A) Non-current</b>  |                       |                       |
| Advances from customers  | -                     | -                     |
|  | -                     | -                     |
| <b>B) Current</b>  |                       |                       |
| Advances from customers  | -                     | -                     |
| Statutory dues   | 1,229,576             | 986,778               |
| Salaries and other payables to employees   | 8,216,477             | 6,000,679             |
| <b>Total</b>   | <b>9,446,053</b>      | <b>6,987,457</b>      |
| <b>11 Income tax assets/liabilities</b>  |                       |                       |
| <b>Particulars</b>   | <b>March 31, 2020</b> | <b>March 31, 2019</b> |
| <b>A) Income tax assets</b>  |                       |                       |
| Advance tax (net)  | 200,000               | 100,000               |
| Tax paid under protest   | -                     | -                     |
|  | <b>200,000</b>        | <b>100,000</b>        |
| <b>B) Income tax liabilities</b>   |                       |                       |
| Provision for taxes (net)  | 334,366               | 402,303               |
|  | <b>334,366</b>        | <b>402,303</b>        |



|    | Particulars   | For the year ended<br>March 31, 2020         | For the year ended<br>March 31, 2019         |
|----|---|--|--|
| 12 | <b>Revenue from operations</b>                          |  |  |
|    | <b>Sale of products</b>                                 |  |  |
|    | Income from sale of API, Intermediates and Formulations | -  | -  |
|    | Income from sale of traded goods - Export of Services   | 107,931,761                                  | 83,539,730                                   |
|    | (A)   | <b>107,931,761</b>                           | <b>83,539,730</b>                            |
|    | <b>Sale of services</b>                                 |  |  |
|    | Contract research services                              | -  | -  |
|    | (B)   | -  | -  |
|    | <b>Other operating revenue</b>                          |  |  |
|    | Sale of scrap   | -  | -  |
|    | Export and other incentives*                            | -  | -  |
|    | Others  | -  | -  |
|    | (C)   | -  | -  |
|    | <b>Revenue from operations (A+B+C)</b>                  | <b>107,931,761</b>                           | <b>83,539,730</b>                            |
| 13 | <b>Other income</b>                                     |  |  |
|    | <b>Particulars</b>                                      | <b>For the year ended<br/>March 31, 2020</b> | <b>For the year ended<br/>March 31, 2019</b> |
|    | Net gain on foreign exchange fluctuations               | -  | 589,570                                      |
|    | Lease rental income                                     | -  | -  |
|    | Miscellaneous income                                    | 13,797                                       | 9,261  |
|    | <b>Total</b>  | <b>13,797</b>                                | <b>598,831</b>                               |
| 14 | <b>Employee benefits expenses</b>                       |  |  |
|    | <b>Particulars</b>                                      | <b>For the year ended<br/>March 31, 2020</b> | <b>For the year ended<br/>March 31, 2019</b> |
|    | Salaries, allowances and wages                          | 101,361,307                                  | 79,328,863                                   |
|    | Contribution to provident fund and other funds          | -  | -  |
|    | Gratuity expense  | -  | -  |
|    | Share based payment expense                             | -  | -  |
|    | Managerial remuneration                                 | -  | -  |
|    | Recruitment and training                                | -  | -  |
|    | Staff welfare expenses                                  | 458,166                                      | 243,556                                      |
|    | <b>Total</b>  | <b>101,819,473</b>                           | <b>79,572,419</b>                            |



| 15 Other expenses                          |  |                                      |                                      |
|--|--|--------------------------------------|--------------------------------------|
| Particulars                                |  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Conversion charges                         |  | 19,920                               | 17,484                               |
| Power and fuel                             |  | 520,860                              | 502,531                              |
| Repairs and maintenance                    |  | -                                    | -                                    |
| Others                                     |  | 7,500                                | 10,829                               |
| Rent                                       |  | 180,000                              | 195,000                              |
| Rates and taxes                            |  | 123,143                              | 13,153                               |
| Office maintenance                         |  | -                                    | 17,744                               |
| Printing and stationery                    |  | 86,733                               | 31,331                               |
| Consultancy and other professional charges |  | 652,740                              | 116,000                              |
| -Audit fee                                 |  | 30,000                               | 30,000                               |
| Travelling and conveyance                  |  | -                                    | -                                    |
| Domestic Travel Expences                   |  | 247,108                              | 152,818                              |
| Overseas Travel Expences                   |  | 1,661,735                            | 719,562                              |
| Communication expenses                     |  | 251,447                              | 836,211                              |
| Net loss on foreign exchange fluctuations  |  | 210,877                              | -                                    |
| Business promotion and advertisement       |  | 33,176                               | 17,150                               |
| Water Charges                              |  | 3,002                                | 5,835                                |
| Seminar Expenses                           |  | -                                    | (40,000)                             |
| Interest on TDS                            |  | 252                                  | 180                                  |
| Interest on GST                            |  | -                                    | 24,562                               |
| GST Late Filing Fee                        |  | 3,480                                | 8,390                                |
| ROC Expenses                               |  | 1,200                                | 1,140                                |
| TDS Filing Charges                         |  | 730                                  | -                                    |
| PF Admin Charges                           |  | 174,619                              | 139,907                              |
| <b>Total</b>                               |  | <b>4,208,521</b>                     | <b>2,799,827</b>                     |

| 16 Finance costs   |  |                                      |                                      |
|--|--|--------------------------------------|--------------------------------------|
| Particulars  |  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Interest   |  |                                      |                                      |
| - on term loans  |  | -                                    | -                                    |
| - on working capital loans   |  | -                                    | -                                    |
| - on others  |  | -                                    | -                                    |
| <b>Total interest expense</b>  |  | -                                    | -                                    |
| Bank charges   |  | 34,444                               | 46,703                               |
| Exchange differences to the extent considered<br>as an adjustment to finance costs |  | -                                    | -                                    |
| <b>Total</b>   |  | <b>34,444</b>                        | <b>46,703</b>                        |

| 17 Taxes   |  |                                      |                                      |
|--|--|--------------------------------------|--------------------------------------|
| (a) Income tax expense:  |  |                                      |                                      |
| The major components of income tax expenses for the year ended March 31, 2020 and for the year ended March 31, 2019 are: |  |                                      |                                      |
| (i) Statement of Profit and Loss   |  |                                      |                                      |
| Particulars  |  | For the year ended<br>March 31, 2020 | For the year ended<br>March 31, 2019 |
| Current tax  |  | 334,366                              | 338,980                              |
| Adjustment of tax relating to earlier years  |  | -                                    | -                                    |
| Deferred tax credit  |  | 36,991                               | (51,241)                             |
| Adjustment of deferred tax relating to earlier years   |  | -                                    | -                                    |
| <b>Total income tax expense recognised in<br/>Statement of Profit and Loss</b>   |  | <b>371,357</b>                       | <b>287,738</b>                       |



## Notes to the Financial Statements for the year ended on March 31, 2020

### 1. GENERAL INFORMATION

#### a) Company Over View

SolixSoftech Private Limited ('SSPL') is a Private Limited company incorporated and Domiciled in India, having its registered office at Hyderabad, Telangana, India.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated 19<sup>th</sup> June 2020.

#### b) Compliance with Indian Accounting Standards

i). The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standard) Rules 2015. The company has uniformly applied all the applicable Accounting policies during the periods presented.

#### c) Overall Considerations

The financial statements have been prepared using significant accounting policies that are in effect as at March 31, 2020 as presented in detail hereunder.

#### d) Reporting Currency

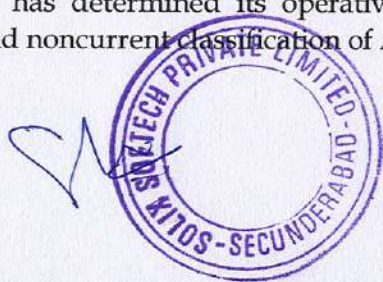
The Financial statements are presented in Indian Rupees which is also the functional and presentation currency of the company and all amounts are rounded off to nearest rupee

### 2. Significant Accounting Policies and other disclosures

#### (i) System of Accounting

These Financial Statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. These Financial Statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies Act, 2013 ('the Act'). The company has prepared the financial statements in accordance with the Schedule III notified under the Companies Act, 2013.

All Assets and Liabilities have been classified as current or non-current, as the case may be, as per the Company's normal operative cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Since the Company is in the business of providing a broad range of Information Technology Products and Services, the Company has determined its operative cycle as 12 months for the purpose of current and noncurrent classification of Assets and Liabilities.



The preparation of the financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amounts of revenues and expenses during the year and disclosure of contingent liabilities as at that date in accordance to the generally accepted principles. The estimates and the assumptions used in these financial statements are purely based upon the management's evaluation of relevant facts and circumstances as of the date of the financial statements.

**(ii) Property, plant and equipment:**

Tangible Assets are stated at acquisition cost, net of accumulated depreciation along with accumulated impairment losses. Cost comprises of the purchase price and other attributable indirect expenses including cost of borrowings till the date of capitalization. In the case of assets involving material investment and substantial lead time for their set up, those assets are valued at cost including inward freight, expenses, taxes and duties etc, as applicable.

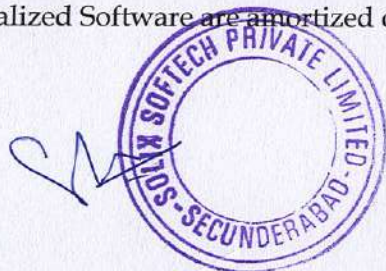
Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond items previously assessed standard of performance. Gains or Losses arising from the retirement or disposal of fixed assets which are carried at cost, are recognized in the Statement of Profit and Loss.

Depreciation is provided in accordance with Schedule II prescribed under Sub Section 2 of Section 123 of Companies Act, 2013 on the basis of useful life of the respective assets. Depreciation on additions/deletions during the year is being provided for, on a prorata basis with reference to the month in which such asset is added or deleted, as the case may be.

**(iii) Intangible Assets**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated period based on the decision of the management. The amortization period and the amortization method are reviewed by the management at each financial year end. If the expected period of usage is significantly different from the previous estimates, the amortization period is changed accordingly based on the management decision.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense as the case may be, in the Statement of Profit and Loss. Intangible Assets i.e., Computer Software and Capitalized Software are amortized over a period of 6 years.



**iv) Trade Receivables**

Trade receivables are stated at the recoverable values. Assessment is made on a periodical basis to assess the credit risk in respect of the credit extended to the customers and adjustments are carried out where necessary and found expedient. Provision, if any, made for the doubtful debts is charged to revenue.

**v) Borrowing Costs**

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which assets are that necessarily take a substantial period of time to get ready for their intended use of operation or sale, are added to the cost of the respective assets. All other borrowing costs are recognized as financial costs in Statement of Profit and Loss for the period in which they are incurred.

**vi) Impairment of Assets**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. Assets, which are impaired by disuse or obsolescence, are segregated from the concerned asset category and shown as deletions in the Fixed Assets (schedule) and appropriate provision, is made for the difference between the net carrying cost, and the net realizable value in respect of the dismissed or deleted assets.

**vii) Investments**

Investments that are readily realizable and are intended to be held for not more than one year from the date of such investments are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, suitable provision for diminution in value is made to recognize the decline, other than temporary, in the value of the relevant investments individually.

**viii) Sundry Debtors and Advances**

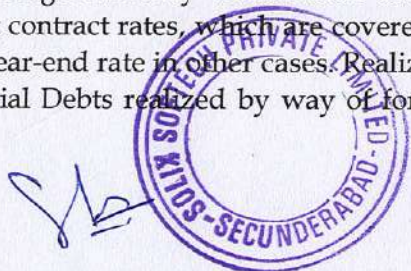
Sundry Debtors and Advances are considered at the realizable value. Specific debts and advances identified as irrecoverable and doubtful are written off or provided for respectively and the same are suitably considered in the Statement of Profit and Loss for the year.

**ix) Cash and Cash Equivalentents**

In the Financial Statements, cash and cash equivalentents include cash in hand, cash at banks and fixeddeposits with banks.

**x) Foreign Currency Translation**

Transactions effected during the year in foreign currency are recorded at the exchange rate prevailing at the time of respective transactions. Assets and Liabilities related to foreign currency transactions remaining unsettled at the year-end are translated at contract rates, which are covered by foreign exchange contracts and at applicable year-end rate in other cases. Realized gains/losses, particularly in respect of Commercial Debts realized by way of foreign exchange transactions other than



those relating to fixed assets, are considered appropriately in the Statement of Profit and Loss. Gain/Loss on transaction of long-term liabilities incurred to acquire fixed assets is treated as an adjustment to the carrying cost of the respective fixed assets.

**xi) Revenue Recognition**

Revenue from Software development on Fixed - Price and fixed Time Frame contract, where there is no uncertainty as to measurement or collectability, revenue consideration is recognized as per the percentage of completion method.

**xii) Staff Benefits**

Revenue from software development on fixed-price and fixed -time frame contract, where there is no uncertainty as to measurement or collectability, revenue consideration is recognized as per the percentage of completion method.

**(a) Gratuity:** The Company provides for gratuity, for covering eligible employees in accordance with the applicable provisions of Payment of Gratuity Act, 1972. The eligible employees are paid a lump sum amount at the time of retirement, death, incapacitation or cessation of employment and the amount is computed on the basis of respective employee's last drawn salary and the tenure of employment with the Company. The provision for the said liability is accordingly determined and recognized as an expense in the Statement of Profit and Loss for the year. The company does not participate in any other benefit plans.

The company has defined Contribution plan for the post- employment benefits namely Provident Fund which is recognized by the Income Tax authorities. These funds are administered through the Regional Provident Fund Commissioner and the Company's contribution to plans namely Employee State Insurance fund is charged to revenue every year.

**xiii) Tax Expense**

- a) Current Tax: Tax expense for the period, comprising of current tax and deferred tax, are included in the determination of the net profit or loss for the year. Provision for Current tax is made for the amount expected to be paid in respect of the taxable income for the year in accordance with the current tax laws.
- b) Deferred Tax: Deferred tax is recognized on timing differences, being the difference between taxable incomes and accounting income that originate in one period and is capable of reversal in subsequent periods, subject to consideration of prudence.
- c) Minimum Alternative Tax: MAT credit is recognized as an asset only to the extent based on a possible 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 adjusted to the extent there is no longer possible evidence to the effect that



the Company will pay normal income tax during the specified year.

**xiv) Provisions and Contingent Liabilities**

- a) Provisions: Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.
- b) Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is termed as a contingent liability.

**xv) Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operative leases. The company's significant leasing arrangements are in respect of operating leases of office premises. The leasing arrangements are for a period ranging between one year to three years generally and are either renewable or cancelable by mutual consent and on agreed terms. Payments made under operating leases are charged in the Statement of Profit and Loss.

**xvi) Segment Reporting**

The Company has considered business segment as the primary segment for disclosure. The Company is engaged in software related Development services, product and information technology enabled services considered as the only business segment. Hence, reporting under the requirements of the said standards does not arise.

**xvii) Earnings per Share**

The earnings considered in ascertaining the company's Earnings per share (EPS) comprise the net profit / (loss) after tax. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS and also the weighted average number of equity shares which could have been issued on the conversion of diluted potential equity shares where applicable. Dilutive potential equity shares are deemed to have been converted as of the beginning of the year, and unless they have been issued at a later date.



**19(A). Related Party Disclosures:**

As per Accounting Standard on "Related Party Disclosures" (AS-18) issued by the Institute of Chartered Accountants of India, the related parties of the Company are as follows:

**List of Related Parties**

| Name of the Related Party            | Relationship    |
|--------------------------------------|-----------------|
| 1. M/s. Solix Technologies Inc., USA | Holding Company |
| 2. Mr. Bhanu Prakash Valiveti        | Director        |
| 3. Mr. P.S. Somayajulu               | Director        |

**19(B). Transactions with Related Parties:**

| Name of the Related Party         | Nature of Transaction | (Amount in Rs.)                    |                                    |
|-----------------------------------|-----------------------|------------------------------------|------------------------------------|
|                                   |                       | As on 31 <sup>st</sup> March, 2020 | As on 31 <sup>st</sup> March, 2019 |
| M/s. Solix Technologies Inc., USA | Sale of Services      | 107,931,761                        | 83,539,730                         |
| Mr. Bhanu Prakash Valiveti        | Salary                | 2,838,384                          | 2,727,654                          |
| Mr. P.S. Somayajulu               | Salary                | 3,147,668                          | 2,965,194                          |

**19(C). Details of amounts due to/due from and maximum amounts due from Subsidiaries for the year ended 31<sup>st</sup> March, 2020.**

The Company doesn't have any subsidiaries, hence the disclosure is not applicable.

**20. Transactions with Key Managerial Personnel**

Section 197 Of the Companies Act, 2013 is not applicable to this Company. However, the Company has paying remuneration to it Directors and below is the details of payment.

| Particulars                | As on 31 <sup>st</sup> March, 2020 | As on 31 <sup>st</sup> March, 2019 |
|----------------------------|------------------------------------|------------------------------------|
| Mr. Bhanu Prakash Valiveti | 2,838,384                          | 2,727,654                          |
| Mr. P.S. Somayajulu        | 3,147,668                          | 2,965,194                          |

**21. Exceptional and Extraordinary Items**

There were no exceptional and extraordinary items at the Balance Sheet date.

**22. Other Disclosures.**

| Particulars                     | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---------------------------------|----------------------------------|----------------------------------|
| Earnings in Foreign Currency    | 107,931,761                      | 83,539,730                       |
| Expenditure in Foreign Currency | Nil                              | Nil                              |



a) Earnings per share

| Particulars  | For the year           | For the year              |
|--|------------------------|---------------------------|
|  | ended 31<br>March 2020 | ended<br>31 March<br>2019 |
| Net Profit/(loss) after Taxation                                     | 1,053,207              | 1,000,226                 |
| Weighted average number of equity shares outstanding during the year | 10,000                 | 10,000                    |
| Earnings per share of par value Rs.10 - Basic & Diluted              | 105.32                 | 100.02                    |

b) Segment Reporting

The Company has considered business segment as the primary segment for disclosure. The Company is engaged in software related Development services, product and information technology enabled services considered as the only business segment. Hence, reporting under the requirements of the said standards does not arise

c) Taxation

Current tax is reckoned based on the current year's income and tax payable in accordance with the prevailing tax laws.

In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has computed Deferred Tax Asset amounting to Rs. 46,918/- (Previous Year - Deferred Tax Asset Rs. 83,909/-) on account of timing difference in relation to depreciation as per books vis.a.vis Tax Laws.

d) Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.



**b) Leases**

**Operating Lease:** The Company has operating lease for office premises. These lease arrangements operate for a period 11 months. The said leases are renewable for further period on mutually agreeable terms and also includes escalation Clause.

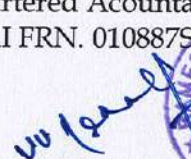
| Particulars  | For the year ended | For the year ended |
|--|--------------------|--------------------|
|  | 31 March 2020      | 31 March 2019      |
| With respect to Operating leases, lease payments recognized in the Statement of Profit and Loss for the year | 180,000            | 195,000            |
|  |                    |                    |

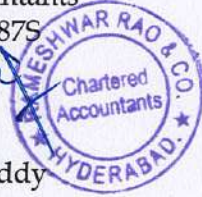
**Finance Lease:** The Company has no finance leases.

**f. Previous Year Figures**

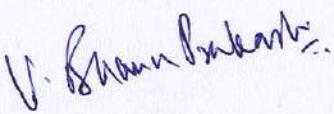
Previous year figures have been regrouped wherever necessary.

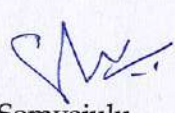
**For Rameshwar Rao & Co.,**  
Chartered Accountants  
ICAI FRN. 0108875

  
V. Vasudeva Reddy  
Partner  
M.No. 209456



**For and on behalf of the Board of Directors**

  
V. Bhanu Prakash  
Director  
DIN. 05221738

  
P.S. Somyajulu  
Director  
DIN: 05221729



Place: Hyderabad  
Date: 19.06.2020.