



SPMG & Co

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Insync Business Solutions Limited
Report on Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Insync Business Solutions Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information ("the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounts) Rules, 2014, as amended, and other accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2019, its 'Loss' 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgement, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Company's Board of Directors is responsible for the preparation of Other Information. It comprises the information included in the Board report but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the Director's report, which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the Other Information and we do not and will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) 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.

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 of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the "**Annexure-A**", a statement on the matters specified in Para 3 & 4 of the said Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - (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 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act
- (f) The reporting on adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refers to our separate Report in "Annexure B". Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over the financial reporting.
- (g) 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(16) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Delhi
Dated: 27.05.2019

For **SPMG & Company**
Chartered Accountants
FRN: 509249C



(**Vinod Gupta**)
Partner
M. No. **090687**



Annexure - A to the Independent Auditors' Report

(Refer to in paragraph- 1 under 'Report on other Legal and Regulatory Requirements' section of our report to the members of Insync Business Solutions Limited for the year ended 31st March, 2019)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As per information and explanations given to us, the fixed assets have been physically verified by the management at the end of the year which in our opinion, is reasonable having regard to the size of the company and the nature of its assets and business. No discrepancies were noticed on physical verification as compared with book records.
(c) As per explanations given to us and documents produced before us, the company does not hold any immovable property as on the date of Financial Statements. However, all movable assets are purchased in the name of the company.
- ii. The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The company has not granted any loan, secured or unsecured, to any company, firm, Limited liability partnership or other parties covered in the register maintained under Section-189 of the Companies Act, 2013.
- iv. As per information & explanations given to us, the company has not given any loan, made any investment, given any security and guarantee during the year in terms of Section 185 & 186 of the Companies Act, 2013.
- v. As per information & explanations given to us, the company has not accepted deposits during the year in terms of Section 73 to 76 and any other relevant provisions of the Companies Act, 2013 and Rules framed there under.
- vi. To the best of our knowledge compliance of maintenance of cost records in terms of Section-148(1) of the Companies Act, 2013 and Companies (cost records and audit) Rules, 2014 are not applicable to the company.
- vii. According to the information and explanations given to us and records of the company examined by us, the company is regular in depositing undisputed statutory dues including provident fund, employees state insurance, income tax, Goods & Service tax, custom duty, whichever is applicable, to the appropriate authorities during the year.
- viii. According to the information and explanations given to us and records of the company examined by us, the company has not defaulted in repayment of loan or borrowings to a financial institution, bank or government.
- ix. The company has not raised any money by way of initial public offer or further public offer during the year. The company has not taken any Term loan during the year.



- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us and records provided to us by the company, managerial remuneration has not been paid or provided by the company during the year.
- xii. The company is not a Nidhi company. Accordingly Clause-3(xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us, the transactions of the company with its related parties are in compliance with Section 177 & 188 of the Companies Act, 2013 and details have been disclosed in the financial statements as required by the applicable Accounting Standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us, the company has not entered into any non cash transaction with its directors or persons connected with them during the year.
- xvi. The company is not required to be registered with Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Delhi
Dated: 27.05.2019

For **SPMG & Company**
Chartered Accountants
FRN: 509249C

(**Vinod Gupta**)
Partner
M. No. **090687**



Annexure - B to the Independent Auditors' Report

(Referred to in paragraph 2(f) under 'Report on other Legal and Regulatory Requirements' section of our report to the members of Insync Business Solutions Limited for the year ended 31st March, 2019.)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Insync Business Solutions Limited ('the Company') as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies



and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Delhi
Dated: 27.05.2019

For **SPMG & Company**
Chartered Accountants
FRN: 509249C

(Vinod Gupta)
Partner
M. No. 090687



Insync Business Solutions Limited

Balance sheet as at March 31, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

	Note no.	As at March 31, 2019	As at March 31, 2018
[I] ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	2	54,152	61,658
(b) Financial assets			
- Investments	3	-	99,79,403
- Loans and advances	4	-	6,02,824
- Other Financial Assets	5	6,62,246	4,87,298
(c) Deferred tax assets (Net)	6	18,384	27,255
(d) Other non-current assets	7	9,40,757	36,62,547
2. Current Assets			
(a) Financial assets			
- Trade Receivables	8	1,33,75,460	1,45,67,986
- Cash and cash equivalents	9	40,65,256	92,66,723
- Loans and advances	10	56,54,145	13,000
(b) Other current assets	11	4,14,677	2,32,846
TOTAL		2,51,85,076	3,89,01,539
[II] EQUITY AND LIABILITIES			
1. Equity			
(a) Equity Share capital	12	5,00,000	5,00,000
(b) Other Equity	13	2,37,98,498	2,45,41,613
2. Non-current liabilities			
(a) Financial liabilities		-	-
(b) Provisions	14	1,17,674	73,347
(c) Other non-current Liabilities	15	81,409	81,409
3. Current liabilities			
(a) Financial liabilities			
- Trade payables	16	14,990	1,30,19,687
(b) Provisions	17	8,480	24,848
(c) Other Current Liabilities	18	3,32,085	5,04,156
(d) Current Tax Liabilities (net)	19	3,31,940	1,56,479
TOTAL		2,51,85,076	3,89,01,539

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 509249C

(Vimod Gupta)
Partner
M. No. 090687

Place: Noida
Date: 27.05.2019



For and on behalf of the Board of Directors of
Insync Business Solutions Limited

(Shyam Sunder Sharma)
Director
DIN: 00272803

Add: House No.-111, Old Arya
Nagar, Ghaziabad-201002

(Chetan Kumar Verma)
Director
DIN: 07959908

Add:SKF-508, Shipra Krishna Vista
Indrapuram, Ghaziabad-201014 UP

Insync Business Solutions Limited

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

	Note no.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	20	66,36,339	1,22,24,507
Other income	21	3,18,155	1,58,319
Total revenue		69,54,494	1,23,82,826
Expenses			
Employee benefit expense	22	47,62,374	99,59,402
Finance cost	23	18,968	2,903
Depreciation and amortisation expense	24	7,506	11,418
Other Operating expense	25	29,85,419	35,77,604
Total expenses		77,74,267	1,35,51,326
Profit/ (loss) before exceptional items and tax		(8,19,773)	(11,68,501)
Exceptional items		-	-
Profit/ (loss) before tax		(8,19,773)	(11,68,501)
Tax expense			
a) Current tax		-	-
b) Deferred tax		9,328	15,198
Profit/ (loss) for the period from continuing operations		(8,29,101)	(11,83,699)
Profit/ (loss) for the period		(8,29,101)	(11,83,699)
Other comprehensive income			
- Items that will not be reclassified to profit or loss			
1 Remeasurement of defined employee benefits plan		(3,148)	413
2 <u>Changes in Fair Values of Investment in Equities carried at Fair Value through Other Comprehensive Income</u>		-	-
3 <u>An item of Expense not recognised in profit or loss account</u>			
a Loss on Sale of Investments		(1,91,920)	-
Net Other Comprehensive Income		(1,95,068)	413
Total comprehensive income for the period (Profit/ loss + other comprehensive income)		(10,24,169)	(11,83,286)
Earnings per equity share (for continuing operations)			
a) Basic		(20.48)	(23.67)
b) Diluted		(20.48)	(23.67)

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 5092490

(Vinod Gupta)
Partner
M. No. 090687

Place: Noida
Date: 27.05.2019



For and on behalf of the Board of Directors of
Insync Business Solutions Limited

(Shyam Sunder Sharma)
Director
DIN: 00272803

Add: House No.-111, Old Arya
Nagar, Ghaziabad-201002

(Chetan Kumar Verma)
Director
DIN: 07959908

Add:SKF-508, Shipra Krishna Vista
Indirapuram, Ghaziabad-201014 UP

Insync Business Solutions Limited
Statement of Cash Flows for the year ended 31 March 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
1. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(8,19,773)	(11,68,501)
Adjustments for :		
Depreciation and amortisation	7,506	11,418
Interest income	(2,42,904)	(1,58,319)
Finance costs	18,968	2,903
Other Adjustments	(3,148)	1,53,347
	(10,39,351)	(11,59,152)
Working capital adjustments:		
(Increase)/Decrease in Trade Receivables	11,92,526	57,54,380
(Increase)/Decrease in Loans and Advances	(50,38,321)	(6,11,574)
(Increase)/Decrease in Other Assets	23,65,011	57,40,091
Increase/(Decrease) in Trade Payables	(1,30,04,697)	(1,16,03,880)
Increase/(Decrease) in Provisions	27,959	(15,34,156)
Increase/(Decrease) in Current Liabilities	3,390	(14,44,961)
Cash Generated from Operations	(1,54,93,483)	(48,59,252)
Income Tax Paid	-	-
NET CASH GENERATED/(USED IN) BY OPERATING ACTIVITIES (1)	(1,54,93,483)	(48,59,252)
2. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	2,42,904	1,58,319
Proceeds from sale of Investments	1,00,68,080	-
NET CASH GENERATED/(USED IN) BY INVESTING ACTIVITIES (2)	1,03,10,984	1,58,319
CASH FLOW FROM FINANCING ACTIVITIES		
Finance costs	(18,968)	(2,903)
NET CASH GENERATED/(USED IN) BY FINANCING ACTIVITIES (3)	(18,968)	(2,903)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (1+2+3)	(52,01,467)	(47,03,836)
Cash and cash equivalents at the beginning of the year	92,66,723	1,39,70,559
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	40,65,255	92,66,723

As per our report of even date attached

For SPMG & Company
Chartered Accountants
Firm Regd. No.: 509249C

(Vinod Gupta)
Partner
M. No. 090687



For and on behalf of the Board of Directors of
Insync Business Solutions Limited

(Shayam Sunder Sharma)
Director
DIN: 00272803

(Chetan Kumar Verma)
Director
DIN: 07959908

Place: Noida
Date: 27.05.2019

Add: House No.-111, Old Arya
Nagar, Ghaziabad-201002

Add:SKF-508, Shipra Krishna Vista
Indirapuram, Ghaziabad-201014 UP

Insync Business Solutions Limited

Statement of changes in equity for the year ended March 31, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

a. Equity share capital

	Opening balance as at 01 Apr 2018	Changes in equity share capital during the year	Closing balance as at 31 March, 2019
Equity shares of Rs.10 each	5,00,000	-	5,00,000
	5,00,000	-	5,00,000

	Opening balance as at 1 Apr 2017	Changes in equity share capital during the year	Closing balance as at 31 March 2018
Equity shares of Rs.10 each	5,00,000	-	5,00,000
	5,00,000	-	5,00,000

b. Other Equity

For the year ended 31 March, 2019

	Share premium	Retained earnings	Investment Revaluation Reserve	Total Equity
As at 1 April 2018	-	2,48,22,209	(2,80,597)	2,45,41,612
Profit for the period	-	(8,29,101)	-	(8,29,101)
Other Adjustments	-	457	2,80,597	2,81,054
Other comprehensive income/(loss)	-	(1,95,068)	-	(1,95,068)
TOTAL	-	2,37,98,497	-	2,37,98,498

For the year ended 31 March, 2018

	Share premium	Retained earnings	Investment Revaluation Reserve	Total Equity
As at 1 April 2017	-	2,59,13,733	(3,58,727)	2,55,55,006
Profit for the period	-	(11,83,286)	-	(11,83,286)
Other Adjustments	-	91,762	78,130	1,69,892
Other comprehensive income/(loss)	-	-	-	-
TOTAL	-	2,48,22,209	(2,80,597)	2,45,41,613

Summary of significant accounting policies

The accompanying notes are an integral part of the Financial Statements

As per our report of even date attached

For SPMG & Company

Chartered Accountants
Firm Regd. No.: 509249C

(Vinod Gupta)
Partner
M. No. 090687



Place: Noida
Date: 27.05.2019

For and on behalf of the Board of Directors of
Insync Business Solutions Limited

(Shyam Sunder Sharma)
Director
DIN: 00272803

Chetan Kumar Verma
Director
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Add: House No.-111, Old Arya
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Add:SKF-508, Shipra Krishna Vista
Indirapuram, Ghaziabad-201014 UP

Insync Business Solutions Limited

Notes to the Financial Statements for the year ended 31 March, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

2 PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2019:

Particulars	Land	Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2018:	-	-	-	7,92,600	1,33,900	-	9,26,500
Additions	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2019 :	-	-	-	7,92,600	1,33,900	-	9,26,500
Accumulated depreciation as of April 1, 2018:	-	-	-	7,52,970	1,11,872	-	8,64,842
Depreciation	-	-	-	-	7,506	-	7,506
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2019:	-	-	-	7,52,970	1,19,378	-	8,72,348
Carrying value as of March 31, 2019 :	-	-	-	39,630	14,522	-	54,152

PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment consist of the following for the year ended March 31, 2018:

Particulars	Land	Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total
Gross carrying value as of April 1, 2017:	-	-	-	7,92,600	1,33,900	-	9,26,500
Additions	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-
Gross carrying value as of March 31, 2018 :	-	-	-	7,92,600	1,33,900	-	9,26,500
Accumulated depreciation as of April 1, 2017:	-	-	-	7,54,000	1,16,382	-	8,70,382
Depreciation	-	-	-	-	11,418	-	11,418
Add/(Less): Adjustments	-	-	-	(1,030)	(15,928)	-	(16,958)
Accumulated depreciation on deletions	-	-	-	-	-	-	-
Accumulated depreciation as of March 31, 2018:	-	-	-	7,52,970	1,11,872	-	8,64,842
Carrying value as of March 31, 2018 :	-	-	-	39,630	22,028	-	61,658



Insync Business Solutions Limited

Notes to the Financial Statements for the year ended 31 March, 2019
(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at	As at
	31.03.2019	31.03.2018
3. Non-current investments		
Non Trade and unquoted - Investments in equity shares (Carried at FVTOCI)		
1 M/s Passion IT Solutions Pvt Ltd, 21,890 Equity Shares of Rs. 10 each and premium of Rs.90	-	21,89,000
2 M/s RPG Securities & Financial Services Limited, 34900 Equity Shares of Rs. 10 each and premium of Rs.92.9	-	35,91,000
3 M/s Trimurti Petrochemicals & Allied Services Pvt. Ltd, 80,000 Equity Shares of Rs. 10 each and premium of Rs.46	-	44,80,000
Total value of Investments	-	1,02,60,000
Less : Provision for diminution in value of investments	-	2,80,597
Net Value of Investments	-	99,79,403



Insync Business Solutions Limited

Notes to the Financial Statements for the year ended 31 March, 2019
(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31-03-2019	As at 31-03-2018
4 Non Current Financial Assets - Loans & Advances :		
- Inter-corporate Loan		6,02,824
Total:		6,02,824
	As at 31-03-2019	As at 31-03-2018
5 Non Current Financial Assets - Others :		
- Long term Bank deposits	6,47,246	4,72,298
- Security deposits	15,000	15,000
Total:	6,62,246	4,87,298
	As at 31-03-2019	As at 31-03-2018
6 Deferred Tax Assets (Net) :		
Deferred tax assets (net)		
- Depreciation and amortisation	18,384	27,255
Total:	18,384	27,255
	As at 31-03-2019	As at 31-03-2018
7 Other Non Current Assets :		
- TDS & IT Refund Receivables	9,40,757	36,62,547
Total:	9,40,757	36,62,547
	As at 31-03-2019	As at 31-03-2018
8 Current Financial Assets - Trade Receivables :		
Unsecured		
- Considered good	1,33,75,460	1,45,67,986
Total:	1,33,75,460	1,45,67,986
	As at 31-03-2019	As at 31-03-2018
9 Cash and Cash Equivalents :		
(i) Balances with banks		
- In current accounts	17,72,129	70,72,747
(ii) Cash on hand	22,93,127	21,93,976
Total:	40,65,256	92,66,723
	As at 31-03-2019	As at 31-03-2018
10 Current Financial Assets - Loans & Advances :		
- Advances to Employee #		13,000
- Advance to Suppliers	56,54,145	-
Total:	56,54,145	13,000
	As at 31-03-2019	As at 31-03-2018
11 Other Current Assets :		
- Interest Receivables		1,41,474
- Unbilled Revenue		91,372
- Indirect Tax Recoverables		-
- TDS & IT Refund Receivables	4,14,677	-
Total:	4,14,677	2,32,846



Insync Business Solutions Limited

Notes to the Financial Statements for the year ended 31 March, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

Particulars	As at 31.03.2019	As at 31.03.2018
12. Share capital		
A. Authorised Capital		
1,00,000 Equity Shares of Re. 10/- each fully paid up with voting rights	10,00,000	10,00,000
B. Issued, Subscribed And Fully Paid Up		
50,000 EQUITY SHARES OF Rs. 10/- EACH fully paid up with voting rights	5,00,000	5,00,000
Total :	5,00,000	5,00,000

13. Other Equity	As at 31.03.2019	As at 31.03.2018
Other equity consist of the following:		
(a) Retained earnings		
(i) Opening balance	2,48,22,210	2,59,13,734
(ii) Add: Profit for the period	(10,24,169)	(11,83,286)
	2,37,98,041	2,47,30,448
Less : Appropriations		
(i) Appropriation/Adjustments	457	91,762
	2,37,98,498	2,48,22,210
(b) Investment Revaluation Reserve		
(i) Opening balance	(2,80,597)	(3,58,727)
(ii) Realised gain on equity shares carried at fair value through OCI	2,80,597	78,130
	-	(2,80,597)
Total :	2,37,98,498	2,45,41,613

13A. Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs. 10 each, fully paid up held by:

	As at 31 March, 2019		As at 31 March, 2018	
	Number	% Holding	Number	% Holding
-FCS Software Solutions Limited	50,000	100.00%	49,994	99.99%



Insync Business Solutions Limited

Notes to the Financial Statements for the year ended 31 March, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

	As at 31-03-2019	As at 31-03-2018
14 Non-Current Provisions :		
- Provision for Leave Encashment	32,375	-
- Provision for gratuity	85,299	73,347
Total:	1,17,674	73,347
	As at 31-03-2019	As at 31-03-2018
15 Other Non Current Liabilities :		
- Security Deposits-ID Cards	81,409	81,409
Total:	81,409	81,409
	As at 31-03-2019	As at 31-03-2018
16 Current Financial Liabilities - Trade Payables :		
Unsecured		
- Considered Good	14,990	1,30,19,687
Total:	14,990	1,30,19,687
	As at 31-03-2019	As at 31-03-2018
17 Current Provisions :		
- Provision for Leave Encashment	2,520	24,848
- Provision for gratuity	5,960	-
Total:	8,480	24,848
	As at 31-03-2019	As at 31-03-2018
18 Other Current Liabilities :		
- Advance received from customers	-	75,251
- Others (Payables)	3,32,085	4,28,905
Total:	3,32,085	5,04,156
	As at 31-03-2019	As at 31-03-2018
19 Current Tax Liabilities (net)		
- Income Tax Provision	-	-
- Indirect tax payable and other statutory liabilities	3,31,940	1,56,479
Total:	3,31,940	1,56,479



Insync Business Solutions Limited

Notes to the Financial Statements for the year ended 31 March, 2019

(All amounts are in Indian Rupees, unless otherwise stated)

20 REVENUE FROM OPERATIONS

IT Enabled Services;

- Domestic

	As at 31-03-2019	As at 31-03-2018
	66,36,339	1,22,24,507
Total:	66,36,339	1,22,24,507

21 OTHER INCOME

Other income (net) consist of the following:

- Interest income
- Other Income

Interest income comprise:

- Interest on bank deposits
- Interest income on financial assets
- Other interest (including interest on income tax refunds)

	As at 31-03-2019	As at 31-03-2018
	2,42,904	1,58,319
	75,251	-
Total:	3,18,155	1,58,319
	37,194	48,699
	-	1,09,327
	2,05,710	293
Total:	2,42,904	1,58,319

22 EMPLOYEE BENEFIT EXPENSES

Employee costs consist of the following:

- Salaries, incentives and allowances
- Contributions to provident and other funds
- Staff welfare expenses

	As at 31-03-2019	As at 31-03-2018
	46,30,420	95,85,739
	1,31,954	3,58,561
	-	15,102
Total:	47,62,374	99,59,402

23 FINANCE COSTS (at effective interest rate method)

Finance costs consist of the following:

- Interest expenses
- Bank Charges

	As at 31-03-2019	As at 31-03-2018
	18,968	2,903
Total:	18,968	2,903

24 DEPRECIATION AND AMORTISATION EXPENSE

Depreciation of Property, Plant and equipment

	As at 31-03-2019	As at 31-03-2018
	7,506	11,418
Total:	7,506	11,418

25 OTHER OPERATING EXPENSES

Other operating expenses consist of the following:

- Fees to external consultants
- Communication expenses
- Cost of Technical Sub-contractors
- Conveyance
- Auditors Remuneration
- Other expenses

	As at 31-03-2019	As at 31-03-2018
	9,73,425	1,00,000
	1,83,525	11,83,154
	-	3,15,400
	2,070	1,43,638
	37,500	28,750
	17,88,899	18,06,662
Total:	29,85,419	35,77,604



INSYNC BUSINESS SOLUTIONS LIMITED

Regd. Office: 205, 2nd Floor, Agarwal Chamber IV, 27, Near Sawarker Block, Vikas Marg, Shakarpur Delhi - 110092

CIN: U72900DL2009PLC196146

NOTES TO STANDALONE FINANCIAL STATEMENTS

24. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

24.1 Company Overview:

Insync Business Solutions Limited ('the company') was incorporated on 18th November, 2009 in India. The company business consists of software development and marketing and providing support services mainly for corporate business entities in the BPO and software development services.

24.2 Basis of preparation of financial statements

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the 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 the relevant amendment rules issued thereafter.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, *First Time Adoption of Indian Accounting Standards*, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

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

24.3 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

24.4 Revenue recognition

Revenue from software development services and other projects on as time-and material basis is recognized based on service rendered and billed to clients as per the terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the milestones achieved, as specified in the contracts, on a percentage of completion basis. Interest on development of surplus funds is recognized using the time-proportion method, based on interest rates implicit in the transaction.



24.5 Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition including incidental costs related to acquisition and installation less accumulated depreciation and impairment loss, if any. All direct costs are capitalized till the assets are ready to be put to use. Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not put to use before the period/year end, are disclosed as capital work in progress. The company depreciates property, plant and equipment over their estimated useful lives using the written down value method. The estimated useful lives of assets are as follows:

<u>Fixed Assets</u>	<u>Useful lives of Assets</u>
Computer equipment ⁽¹⁾	3 Years
Furniture and fixtures ⁽¹⁾	10 Years

⁽¹⁾ The useful lives for these assets are same as useful lives prescribed under Part C of Schedule II of the Companies Act, 2013.

24.6 Impairment

Management periodically assesses using external and internal sources where there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceed the present value of future cash flow expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of carrying amount over the higher of the assets net sales price or present value as determined above. The management is of the view that impairment does not apply to the Company, hence not recognized.

24.7 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation.

24.8 Functional & Foreign currency

Functional currency:

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees.

Transactions and translations:

Foreign-currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the Balance sheet.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction. However, the company has not entered into any foreign currency transactions during the year.

24.9 Earnings per equity share

Basic earnings per share is computed by dividing the net profit attributable to the equity holders of the Company by weighted average number of equity shares outstanding during the year in conformity with the Ind-AS-33. Diluted earnings per share is computed by dividing the net profit attributable to the



equity holders of the Company by weighted average number of equity and equivalent diluted equity shares outstanding during the year-end, except where the results would be anti-dilutive.

24.10 Taxation

Income tax expense comprises current and deferred income tax. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements as prescribed in Ind-AS-12. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company does not offsets current tax assets and current tax liabilities on net basis, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

24.11 Employee benefits

24.11.1 Gratuity

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees of the company. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability / (asset) are recognized in other comprehensive income.

24.11.2 Provident fund

Eligible employees of the company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The companies have no further obligation to the plan beyond its monthly contributions.

24.11.3 Compensated absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date.



24.12 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

Amendment to Ind AS 7:

Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the financial statements.

24.13 Other income

Other income is comprised primarily of interest income and Misc income. Interest income is accounted for on accrual basis.

24.14 Investment

Investments are classified into non-current and current investments based on the intent of management at the time of acquisition. Non-current investments including investment in subsidiaries and associate companies are measured at Fair value through other comprehensive income. Net Assets value as certified by expert is considered as Fair Market Value for the purpose of valuation of investment in all companies including subsidiaries.

24.15 Related Party Transactions:

A. Details of related Parties with whom transactions have taken place:

Entities where Control/significant Influence of KMP exists:

FCS Software Solutions Ltd.
Innova E Services Pvt. Ltd.

Key Management Personnel

Dalip Kumar – Director
Shayam Sunder Sharma – Director
Chetan Kumar Verma- Director

B. Transactions with the Related Parties

Party Name	Nature of Relation	Nature of transaction	31.03.2019	31.03.2018
FCS Software Solutions Ltd.	Holding Co.	Rent Expenses	15,60,000/-	15,60,000/-
Innova E Services Pvt. Ltd.	Subsy of Holding Co.	Services Received	Nil	315,400/-

24.16 Expenditure in Foreign Currency

	31.03.2019	31.03.2018
<u>Expenditure incurred</u>	Nil	Nil



24.17 Earning in Foreign Exchange

	31.03.2019	31.03.2018
Income Earned	Nil	Nil

24.18As explained to us, Corporate Social Responsibility (CSR) committee has not been formed by the Company, as the company does not qualified the norms specified as required under section 135 of Companies Act, 2013 to contribute towards CSR.;

24.19Sundry Debtors and creditors are subject to confirmations.

24.20Previous year figures have been re-grouped/re-classified wherever necessary to correspond with the current year's classification/disclosures.

AUDITOR'S REPORT

As per our separate report of even date

For SPMG & Company

Chartered Accountants

Firm Regd. No.: 509249C

(Vinod Gupta)

Partner

M. No. 090687

**For and on behalf of the Board of Directors of
Insync Business Solutions Limited**

(Shayam Sunder Sharma)

Director

DIN: 00272803

(Chetan Kumar Verma)

Director

DIN: 07959908

Place: Noida

Date: 27.05.2019

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