

# **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF MADWORKS VENTURES PRIVATE LIMITED.**

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

## **Opinion**

We have audited the accompanying standalone financial statements of Madworks Ventures Private Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2020 and the Statement of Profit and Loss (including other comprehensive income) for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, the loss for the year ended on that date.

## **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance 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.

There are no matters to report. Further, reporting of key audit matters as per SA 701 is not applicable to the Company as it is an unlisted company.

### **Information other than the Standalone Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director's report, but does not include the standalone financial statements and our auditors report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 is also responsible for overseeing the company's financial reporting process.

### **Auditor's responsibilities for the audit of standalone financial statements**

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

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

- Identify and assess the risks of material misstatement of standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. This report does not include a statement on the matters specified in paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company during the year under audit.
2. As required by section 143(3) of the Act, we further report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet and Statement of Profit and Loss including Other Comprehensive Income dealt with by this Report are in agreement with the relevant books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2020, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31<sup>st</sup> March, 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 statement 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.

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 other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and the best of our information and according to our explanations given to us :

- i. The Company does not have any pending litigations which would impact its standalone financial position.
- ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. So the question of delay in transferring such sums does not arise.

For D.S.ACHARYA & CO.,  
CHARTERED ACCOUNTANTS.  
(Firm Regn. No. 0100031W)



CA. DINESH S. ACHARYA  
PROPRIETOR  
MEM.NO.035647  
UDIN No. : 20035647AAAAAM1480

Place : Mumbai  
Date : 01.06.2020

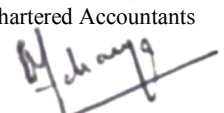
**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**Balancesheet**

	Note No	As at March 31, 2020 Amt in ₹	As at March 31, 2019 Amt in ₹
<b>I. ASSETS</b>			
<b>Non-current assets</b>			
(a) Intangible assets	1	22,76,813	15,50,149
(b) Capital work in progress	2	-	12,00,000
<b>Total Non Current Assets</b>		<b>22,76,813</b>	<b>27,50,149</b>
<b>Current assets</b>			
(a) Financial Assets			
(i) Cash and cash equivalents	3	62,140	33,881
(b) Other current assets	4	3,13,031	3,03,258
		<b>3,75,171</b>	<b>3,37,139</b>
<b>Total Current Assets</b>		<b>3,75,171</b>	<b>3,37,139</b>
<b>TOTAL ASSETS</b>		<b>26,51,984</b>	<b>30,87,288</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
(a) Equity Share capital	5	27,52,040	27,52,040
Preference Share capital	6	5,70,180	5,70,180
(b) Other Equity	7	-37,03,531	-25,84,121
<b>Total Equity</b>		<b>-3,81,311</b>	<b>7,38,099</b>
<b>2. Liabilities</b>			
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Trade payables	8		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,61,855	8,51,704
(ii) Other financial liabilities	9	19,42,000	14,45,000
(b) Other current liabilities	10	1,29,440	52,485
<b>Total Current Liabilities</b>		<b>30,33,295</b>	<b>23,49,189</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,51,984</b>	<b>30,87,288</b>

Note: The above Standalone balance sheet should be read in conjunction with the accompanying notes.

As per our Audit Report of even date attached.

**For D.S.Acharya & Co.,**  
Chartered Accountants

  
**CA. Dinesh S. Acharya.**  
Proprietor  
Membership No.: 035647  
Place: Mumbai  
Date: 01 June 2020  
UDIN : 20035647AAAAAM1480

**For Madworks Ventures Private Limited**

  
**Arjun Madhavan**  
Director  
DIN : 07231500  
Place: Mumbai  
Date: 01 June 2020

  
**Pooja Sheth**  
Director  
DIN : 07294306  
Place: Mumbai  
Date : 01 June 2020

**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**Statement of Profit and Loss**

	Note No	Year ended March 31, 2020 Amt in ₹	Year Ended March 31, 2019 Amt in ₹
<b>Revenue</b>			
I Revenue from Operations	11	4,072	3,653
II Other Income	12	4,247	26
<b>III Total Income (I + II)</b>		<b>8,319</b>	<b>3,679</b>
<b>IV Expenses</b>			
Employee Benefits Expense	13	-	2,911
Depreciation and Amortization Expense	14	4,73,336	3,78,353
Other Expenses	15	6,54,393	6,44,226
<b>Total Expenses</b>		<b>11,27,729</b>	<b>10,25,490</b>
<b>V Profit Before Exceptional Items and Tax (III-IV)</b>		<b>-11,19,410</b>	<b>-10,21,811</b>
<b>VI Exceptional Items</b>			-
<b>VII Profit Before Tax (V-VI)</b>		<b>-11,19,410</b>	<b>-10,21,811</b>
<b>VIII Tax Expense</b>			
Current taxes		-	-
Deferred Taxes		-	-
<b>Total Tax Expense</b>		<b>-</b>	<b>-</b>
<b>IX Profit/(loss) for the period from continuing operations (VII-VIII)</b>		<b>-11,19,410</b>	<b>-10,21,811</b>
<b>X Profit/(loss) from discontinued operations</b>			-
<b>XI Profit/(loss) for the Year (IX-X)</b>		<b>-11,19,410</b>	<b>-10,21,811</b>
<b>XII Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
<b>B (i) Items that will be reclassified to profit or loss</b>			
<b>Total Comprehensive Income for the year (XI+XII)</b>		<b>-11,19,410</b>	<b>-10,21,811</b>
<b>XIII Earnings per Equity Share (Face Value ` 10)</b>	16		
(1) Restated Basic ( ` )		-4.07	-3.71
(2) Restated Diluted ( ` )		-4.07	-3.71

Note: The above Standalone statement of profit and loss should be read in conjunction with the accompanying notes.

As per our Audit Report of even date attached.

**For D.S.Acharya & Co.,**  
Chartered Accountants

**CA. Dinesh S. Acharya.**  
Proprietor  
Membership No.: 035647  
Place: Mumbai  
Date: 01 June 2020  
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Director  
DIN : 07294306  
Place: Mumbai  
Date: 01 June 2020

**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**Standalone Statement of Changes in Equity**

<b>(a) Equity share capital</b>	<i>Amt in ₹</i>
<b>As at April 01, 2018</b>	<b>27,52,040</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2019</b>	<b>27,52,040</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2020</b>	<b>27,52,040</b>

<b>(a) Preference share capital</b>	<i>Amt in ₹</i>
<b>As at April 01, 2018</b>	<b>5,70,180</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2019</b>	<b>5,70,180</b>
Changes in equity share capital during the year	-
<b>As at March 31, 2020</b>	<b>5,70,180</b>

**Restated summary statement of changes in equity**

**(b) Other equity (Refer Note 7)**

Particulars	Reserves and Surplus		Total
	Securities premium	Retained earnings	
<b>Balance at April 01, 2018</b>	<b>4,33,332</b>	<b>-19,95,642</b>	<b>-15,62,310</b>
Profit for the year		-10,21,811	-10,21,811
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-10,21,811</b>	<b>-10,21,811</b>
<b>Balance at March 31, 2019</b>	<b>4,33,332</b>	<b>-30,17,453</b>	<b>-25,84,121</b>
Profit for the year		-11,19,410	-11,19,410
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-11,19,410</b>	<b>-11,19,410</b>
<b>Balance at March 31, 2020</b>	<b>4,33,332</b>	<b>(41,36,863)</b>	<b>(37,03,531)</b>

**Nature and purpose of reserves:**

**Securities premium:**

Securities premium is the premium recorded on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Note: The above Standalone statement of changes in equity should be read in conjunction with the accompanying notes.

As per our Audit Report of even date attached.

**For D.S.Acharya & Co.,**  
**Chartered Accountants**



**CA. Dinesh S. Acharya.**  
 Proprietor  
 Membership No.: 035647  
 Place: Mumbai  
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**For Madworks Ventures Private Limited**



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 Director  
 DIN : 07294306  
 Place: Mumbai  
 Date: 01 June 2020



**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**Standalone Statement of Cash Flows**

	Year ended March 31, 2020 Amt in ₹	Year ended March 31, 2019 Amt in ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit Before Income Tax	(11,19,410)	(10,21,811)
<b>Adjustments for:</b>		
Depreciation and Amortization Expense	4,73,336	3,78,353
	<b>4,73,336</b>	<b>3,78,353</b>
<b>Operating Cash Flows Before Working Capital Changes</b>	<b>(6,46,074)</b>	<b>(6,43,458)</b>
<b>Adjustments for:</b>		
(Increase)/Decrease in Other Current Assets	(9,774)	(2,12,686)
Increase/(Decrease) in Trade Payables	1,10,151	3,77,377
Increase/(Decrease) in Other current liabilities (Current)	76,955	(40,520)
	<b>1,77,332</b>	<b>1,24,171</b>
<b>Cash Generated from / (used) in Operations</b>	<b>(4,68,741)</b>	<b>(5,19,287)</b>
Income Taxes (Paid) / Refunds	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(4,68,741)</b>	<b>(5,19,287)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payment for Purchase of Property, Plant and Equipment	-	(8,00,000)
<b>Net Cash Flow From Investing Activities</b>	<b>-</b>	<b>(8,00,000)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Borrowings from directors (Net)	4,97,000	1,90,000
Proceeds from issue of equity shares	-	-
Proceeds from issue of preference shares	-	-
Security premium collected on issue of shares	-	-
<b>Net Cash Inflow/ (Outflow) From Financing Activities</b>	<b>4,97,000</b>	<b>1,90,000</b>
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>28,259</b>	<b>(11,29,287)</b>
Cash and cash equivalents at the beginning of the year	33,881	11,63,168
<b>Cash and cash equivalents at the end of the year</b>	<b>62,140</b>	<b>33,881</b>

Note: The above Standalone statement of cash flows should be read in conjunction with the accompanying notes.

As per our Audit Report of even date attached.

**For D.S.Acharya & Co.,**  
Chartered Accountants



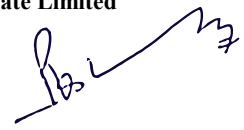
**CA. Dinesh S. Acharya.**

Proprietor  
Membership No.: 035647  
Place: Mumbai  
Date: 01 June 2020  
UDIN : 20035647AAAAAM1480

**For Madworks Ventures Private Limited**



**Arjun Madhavan**  
Director  
DIN : 07231500  
Place: Mumbai  
Date: 01 June 2020



**Pooja Sheth**  
Director  
DIN : 07294306  
Place: Mumbai  
Date : 01 June 2020

**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 1**  
**Intangible assets**

**Year ended March 31, 2020**

Particulars	Gross Block				Depreciation				WDV	
	Opening balance as at 01-Apr-2019	Additions	Deletions	Closing balance as at 31-Mar-2020	Opening balance as at 01-Apr-2019	Additions	Deletions	Closing balance as at 31-Mar-2020	31-03-20	31-03-19
Knack Marketplace App (App.No.I)	572,600	-	-	572,600	264,531	90,644	-	355,175	217,425	308,069
Knack Beta (App. No. II)	1,817,500	-	-	1,817,500	575,420	287,712	-	863,132	954,368	1,242,080
Knack Alpha (App. No. III)	-	1,200,000	-	1,200,000	-	94,980	-	94,980	1,105,020	-
	<b>2,390,100</b>	<b>1,200,000</b>	<b>-</b>	<b>3,590,100</b>	<b>839,951</b>	<b>473,336</b>	<b>-</b>	<b>1,313,287</b>	<b>2,276,813</b>	<b>1,550,149</b>

**Year ended March 31, 2019**

Particulars	Gross Block				Depreciation				WDV	
	Opening balance as at 01-Apr-2018	Additions	Deletions	Closing balance as at 31-Mar-2019	Opening balance as at 01-Apr-2018	Additions	Deletions	Closing balance as at 31-Mar-2019	31-03-19	31-03-18
Knack Marketplace App (App.No.I)	572,600	-	-	572,600	173,888	90,643	-	264,531	308,069	398,712
Knack Beta (App. No. II)	1,817,500	-	-	1,817,500	287,710	287,710	-	575,420	1,242,080	1,529,790
	<b>2,390,100</b>	<b>-</b>	<b>-</b>	<b>2,390,100</b>	<b>461,598</b>	<b>378,353</b>	<b>-</b>	<b>839,951</b>	<b>1,550,149</b>	<b>1,928,502</b>

**Notes:**

1. Depreciation is calculated on SLM basis in accordance with the provisions of Companies Act,2013.
2. The management is of the view that life of the Intangible Assets will be 6 years at the end of the useful life of the asset, the residual value shall be 5%.  
Therefore, the Company has adopted the rate as 15.83% p.a.
3. Deemed cost being carrying value of assets under previous GAAP.

**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 2**

**Capital work in progress**

**Year ended March 31, 2020**

<b>Particulars</b>	<b>Opening balance as at 01-Apr-2019</b>	<b>Additions</b>	<b>Transfer</b>	<b>Closing balance as at 31-Mar-2020</b>
Knack Marketplace App (App.No.I)	-	-	-	-
Knack Beta (App. No. II)	-	-	-	-
Technology Development In progress	12,00,000	-	12,00,000	-
	<b>12,00,000</b>	-	<b>12,00,000</b>	-

**Year ended March 31, 2019**

<b>Particulars</b>	<b>Gross Block</b>			
	<b>Opening balance as at 01-Apr-2018</b>	<b>Additions</b>	<b>Transfer</b>	<b>Closing balance as at 31-Mar-2019</b>
Knack Marketplace App (App.No.I)	-	-	-	-
Knack Beta (App. No. II)	-	-	-	-
Technology Development In progress	4,00,000	8,00,000	-	12,00,000
	<b>4,00,000</b>	<b>8,00,000</b>	-	<b>12,00,000</b>

**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

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**NOTE 3**

**Cash and cash equivalents**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Balances with Banks		
- In Current Accounts	49,050	21,994
Cash on Hand	13,090	11,887
<b>TOTAL</b>	<b>62,140</b>	<b>33,881</b>

**NOTE 4**

**Other current assets**

<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Input Tax credit (GST)	3,13,031	3,03,259
<b>TOTAL</b>	<b>3,13,031</b>	<b>3,03,259</b>

**MADWORKS VENTURES PRIVATE LIMITED**  
**U74999MH2015PTC269725**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 5**

**Equity share capital**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
3,12,982 Equity Shares (31-Mar-19: 3,12,982; 01-Apr-18: 3,12,982) of ₹ 10 each	31,29,820	31,29,820
<b>Issued</b>		
2,75,204 Equity Shares (31-Mar-19: 2,75,204; 01-Apr-18: 2,75,204) of ₹ 10 each	27,52,040	27,52,040
<b>Subscribed and Fully Paid up</b>		
2,75,204 Equity Shares (31-Mar-19: 2,75,204; 01-Apr-18: 2,75,204) of ₹10 each	27,52,040	27,52,040
<b>TOTAL</b>	<b>27,52,040</b>	<b>27,52,040</b>

**a) The reconciliation of number of equity shares outstanding and the amount of share capital at the beginning and at the end of the reporting year:**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	2,75,204	27,52,040	2,75,204	27,52,040
Add: Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,75,204</b>	<b>27,52,040</b>	<b>2,75,204</b>	<b>27,52,040</b>

**b) Terms / rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rupees 10/- per share. Each shareholder is entitled to vote in proportion to his share of the paid up equity capital of the Company except upon voting by "Show of hands" where one share shareholder is entitled to one vote. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to their shareholdings. The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the last three financial years.

**c) Details of shareholders holding more than 5% shares in the Company:**

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Arjun Madhavan	1,30,000	47.24%	1,30,000	47.24%
Pooja Sheth	1,30,000	47.24%	1,30,000	47.24%
Xelpmoc Design and Tech Limited	15,204	5.52%	15,204	5.52%

**d) Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Company makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Company may make adjustments to dividend paid to its shareholders or issue new shares.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments. The company has no borrowings from external parties as on the reporting date.

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**NOTE 6**

**Preference share capital**

	As at March 31, 2020	As at March 31, 2019
<b>Authorised</b>		
57,018 Compulsory Convertible Preference shares ( 31-Mar-19: 57,018; 01-Apr-18: 57,018 ) of ₹10 each	5,70,180	5,70,180
<b>Issued</b>		
57,018 Compulsory Convertible Preference shares ( 31-Mar-19: 57,018; 01-Apr-18: 57,018 ) of ₹ 10 each	5,70,180	5,70,180
<b>Subscribed and Fully Paid up</b>		
57,018 Compulsory Convertible Preference shares ( 31-Mar-19: 57,018; 01-Apr-18: 57,018 ) of ₹ 10 each	5,70,180	5,70,180
<b>TOTAL</b>	<b>5,70,180</b>	<b>5,70,180</b>

**a) The reconciliation of number of Compulsory Convertible Preference shares outstanding and the amount of share capital at the beginning and at the end of the reporting year :**

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	57,018	5,70,180	57,018	5,70,180
Add: Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>57,018</b>	<b>5,70,180</b>	<b>57,018</b>	<b>5,70,180</b>

**b) Terms / rights attached to Compulsory Convertible Preference shares ('CCPS')**

The CCPS shall be converted to equity shares in the conversion ratio of 1:1 as per the milestones mentioned below:

Number of CCPS	Conditions to be fulfilled
19006 shares	End of 12 months from the effective date and completion of Statement of Work for Year 1 under the M.S.A
19006 shares	End of 24 months from the effective date and completion of Statement of Work for Year 2 under the M.S.A
19006 shares	End of 36 months from the effective date and completion of Statement of Work for Year 3 under the M.S.A

The outstanding CCPS may require adjustments resulting from corporate action.

**c) Capital Management**

The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios to support its business and maximize shareholder value. The Company makes adjustments to its capital structure based on economic conditions or its business requirements. To maintain / adjust the capital structure the Company may make adjustments to dividend paid to its shareholders or issue new shares.

The Company monitors capital using the metric of Net Debt to Equity. Net Debt is defined as borrowings less cash and cash equivalents, fixed deposits and readily redeemable investments. The company has no borrowings from external parties as on the reporting date.

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**NOTE 7**

**Other equity**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Securities Premium	4,33,332	4,33,332
Retained Earnings	-41,36,863	-30,17,453
Other Comprehensive Income	-	-
	<b>-37,03,531</b>	<b>-25,84,121</b>

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**NOTE 8**

**Trade payables**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9,61,855	8,51,704
	<b>9,61,855</b>	<b>8,51,704</b>

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
(i) Principal amount and interest due thereon remaining unpaid to MSME suppliers as at the end of the accounting year:		
-Principal	Nil	Nil
-Interest	Nil	Nil
(ii) The amount of interest paid along with the amounts of the payment made to the MSME supplier beyond the appointed day	Nil	Nil
(iii) The amount of interest due and payable for the year	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the	Nil	Nil
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above	Nil	Nil



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**NOTE 9**

**Other financial liabilities**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Loans from directors	19,42,000	14,45,000
	<b>19,42,000</b>	<b>14,45,000</b>

**NOTE 10**

**Other current liabilities**

	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
Statutory dues	5,393	2,859
Provision for Expenses	1,04,580	39,550
Payable to directors	19,467	10,076
	<b>1,29,440</b>	<b>52,485</b>

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**NOTE 11**

**Revenue from Operations**

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Services*	4,072	3,653
<b>TOTAL</b>	<b>4,072</b>	<b>3,653</b>

i) **Revenue disaggregation by geography is as follows:**

Geography	Year ended March 31, 2020	Year ended March 31, 2019
India	4,072	3,653
Others	-	-
<b>Total</b>	<b>4,072</b>	<b>3,653</b>

**NOTE 12**

**Other Income**

	Nature (Recurring/Non- Recurring)	Year ended March 31, 2020	Year ended March 31, 2019
<b>Other Non-Operating Income</b>			
Interest Income	Recurring	-	26
Miscellaneous income	Non - Recurring	4,243	-
Miscellaneous balances written back	Non - Recurring	4	-
<b>TOTAL</b>		<b>4,247</b>	<b>26</b>

**NOTE 13**

**Employee Benefits Expense**

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and Wages	-	-
Staff Welfare Expenses	-	2,911
<b>TOTAL</b>	<b>-</b>	<b>2,911</b>

**NOTE 14****Depreciation**

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on intangible assets	4,73,336	3,78,353
<b>TOTAL</b>	<b>4,73,336</b>	<b>3,78,353</b>

**NOTE 15****Other Expenses**

	Year ended March 31, 2020	Year ended March 31, 2019
Auditor's remuneration	55,000	30,000
Application & Website Maintenance esp.	5,06,702	2,84,310
Bank Charges /App Handling chgs	8,915	70
Conveyance and Travelling expenses	-	45,132
Courier charges	-	-
Interest on Profession Tax paid	-	1,392
Interest on TDS paid	-	42,342
Legal Fees & Stamp Duty Exps.	-	-
Miscellaneous expenses	11	-
Printing and stationery expenses	-	-
Professional Fees	-	13,500
Profession Tax - Co.	2,500	5,000
ROC Fees	4,000	-
Stipend	-	-
Telephone & Internet charges	-	-
Trademark Filing & Stamp Duty Fees	-	-
TDS paid (previous years)	-	2,19,214
Late Filing Fees - GST	-	3,266
GST Paid Exps	77,265	-
<b>TOTAL</b>	<b>6,54,393</b>	<b>6,44,226</b>

**NOTE 16****Earnings per share**

	As at March 31, 2020	As at March 31, 2019
<b>Net Profit After Tax</b>	<b>-11,19,410</b>	<b>-10,21,811</b>
Number of Shares outstanding at the beginning of the year	2,75,204	2,75,204
Add : Shares Issued during the year	-	-
Number of Shares outstanding at the end of the year	2,75,204	2,75,204
<b>Weighted Average Number of Equity Shares</b>		
For calculating Basic EPS diluted EPS	2,75,204	2,75,204
For calculating restated Basic EPS and restated Diluted EPS	2,75,204	2,75,204
<b>Earnings Per Share Before and After Extraordinary Items</b> <i>(Face Value ₹ 10)</i>		
Restated Basic (₹)	(4.07)	(3.71)
Restated Diluted (₹)	(4.07)	(3.71)

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**NOTE 17 RELATED PARTY DISCLOSURES**

**A) Related Parties and their Relationship**

**a) Enterprise with significant influence on the Company**

Xelpmoc Design and Tech Limited (W.E.F September 10, 2017)

**b) Key Management Personnel (KMP) and Relatives**

- |     |                |     |
|-----|----------------|-----|
| i)  | Arjun Madhavan | KMP |
| ii) | Pooja Seth     | KMP |

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**NOTE 17 : RELATED PARTY DISCLOSURES (Contd.)**

**B) The Related Party Transactions are as under :**

Particulars of Transactions	Enterprise with significant influence on the Company		Key Management Personnel and Relatives		Total	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
<b>Purchase of intangible assets</b>						
Xelpmoc Design and Tech Limited	-	8,00,000	-	-	-	<b>8,00,000</b>
<b>Loan taken from Directors</b>						
Arjun Madhavan	-	-	4,00,000	1,90,000	<b>4,00,000</b>	<b>1,90,000</b>
Pooja Seth	-	-	97,000	-	<b>97,000</b>	-
<b>Expenses incurred by directors</b>						
Arjun Madhavan	-	-	-	-	-	-
Pooja Seth	-	-	9,392	1,448	<b>9,392</b>	<b>1,448</b>

**Notes**

- (a) Transactions with the related parties have been reported since the date they become related.
- (b) The above figure of managerial remuneration excludes provision for retirement benefits which is done for the company as a whole.

NOTE 17 : RELATED PARTY DISCLOSURES (Contd.)

B) The Related Party Transactions are as under :

	Enterprise with significant influence on the Company		Key Management Personnel and Relatives		Total	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
<b>Outstanding Balances</b>						
<b>Payables</b>						
Xelpmoc Design and Tech Limited	8,44,000	8,44,000			8,44,000	8,44,000
Ariun Madhavan	-	-	17,27,696	13,27,696	17,27,696	13,27,696
Pooja Seth	-	-	2,33,772	1,27,380	2,33,772	1,27,380

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**NOTE 18 : FINANCIAL INSTRUMENTS**

**A. Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

As at March 31, 2020	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Current</b>								
Cash and cash equivalents	-	-	62,140	62,140	-	-	62,140	62,140
	-	-	<b>62,140</b>	<b>62,140</b>	-	-	<b>62,140</b>	<b>62,140</b>
<b>Financial liabilities</b>								
<b>Current</b>								
Trade and other payables	-	-	9,61,855	9,61,855	-	-	9,61,855	9,61,855
Other Current Financial Liabilities	-	-	19,42,000	19,42,000	-	-	19,42,000	19,42,000
	-	-	<b>29,03,855</b>	<b>29,03,855</b>	-	-	<b>29,03,855</b>	<b>29,03,855</b>

As at March 31, 2019	Carrying amount / Fair Value				Fair value Hierarchy			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>								
<b>Current</b>								
Cash and cash equivalents	-	-	33,881	33,881	-	-	33,881	33,881
	-	-	<b>33,881</b>	<b>33,881</b>	-	-	<b>33,881</b>	<b>33,881</b>
<b>Financial liabilities</b>								
<b>Current</b>								
Trade and other payables	-	-	8,51,704	8,51,704	-	-	8,51,704	8,51,704
Other Current Financial Liabilities	-	-	14,45,000	14,45,000	-	-	14,45,000	14,45,000
	-	-	<b>22,96,704</b>	<b>22,96,704</b>	-	-	<b>22,96,704</b>	<b>22,96,704</b>

Level - 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities

Level - 2 : inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level - 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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**NOTE 19 : FINANCIAL RISK MANAGEMENT**

The activities of the Company exposes it to a number of financial risks namely market risk, credit risk and liquidity risk. The Company seeks to minimize the potential impact of unpredictability of the financial markets on its financial performance.

**A. MANAGEMENT OF MARKET RISK:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, price risk and currency rate risk. Financial instruments affected by market risk includes borrowings, investments and derivative financial instruments.

**(i) Management of interest rate risk:**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any exposure to interest rate risks since it has no borrowings.

**(ii) Management of price risk:**

The Company invests its surplus funds in various unlisted equity and preference shares. Investments in unlisted equities and preference shares are susceptible to market price risk, arising from changes in availability of future free cash flow which may impact the return and value of the investments. The company mitigates this risk by periodically evaluating the performances of the investee company.

**(iii) Management of currency risk:**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company mitigates the foreign exchange risk by setting appropriate exposure limits and periodic monitoring of the exposures. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.



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**NOTE 19 : FINANCIAL RISK MANAGEMENT (Contd.)**

**B. MANAGEMENT OF CREDIT RISK:**

Credit risk refers to the risk of default on its obligations by a counterparty to the Company resulting in a financial loss to the Company. The Company is exposed to credit risk from its operating activities (trade receivables) and from its financing activities including investments in unlisted securities, foreign exchange transactions and financial instruments.

Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed.

Credit risk from investments of surplus funds is managed by the Company's treasury in accordance with the Board approved policy and limits. Investments of surplus funds are made only with those counterparties who meet the minimum threshold requirements as prescribed by the Board. The Company monitors the financial strength of its counter parties and adjusts its exposure accordingly.

Credit risk on cash and cash equivalents is assessed as low risk as the company does not have any deposits and the entire amount represents balance in current account with banks

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**NOTE 19 : FINANCIAL RISK MANAGEMENT (Contd.)**

**C. MANAGEMENT OF LIQUIDITY RISK:**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash obligations without incurring unacceptable losses. The Company's objective is to maintain at all times, optimum levels of liquidity to meet its obligations. The Company closely monitors its liquidity position and has a robust cash management system in place.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments.

<b>March 31, 2020</b>		<b>Contractual cash flows</b>				
		<b>Carrying amount</b>	<b>Total</b>	<b>Less than 1 Year</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>Non-derivative financial liabilities</b>						
Trade and other payables	9,61,855	9,61,855	1,12,755	8,49,100	-	-
Other Financial Liabilities	19,42,000	19,42,000	4,97,000	14,45,000	-	-

<b>March 31, 2019</b>		<b>Contractual cash flows</b>				
		<b>Carrying amount</b>	<b>Total</b>	<b>Less than 1 Year</b>	<b>1-2 years</b>	<b>2-5 years</b>
<b>Non-derivative financial liabilities</b>						
Trade and other payables	8,51,704	8,51,704	8,51,704	-	-	-
Other Financial Liabilities	14,45,000	14,45,000	14,45,000	-	-	-

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**20 Events after the reporting period**

There were no events that occurred after the reporting period i.e. 31 March, 2020 upto the date of approval of financial statements that require any adjustment to the carrying value of assets and Liabilities.

**For D.S.Acharya & Co.,**  
Chartered Accountants



**CA. Dinesh S. Acharya.**  
Proprietor  
Membership No.: 035647  
Place: Mumbai  
Date: 01 June 2020

**For Madworks Ventures Private Limited**



**Arjun Madhavan**  
Director  
DIN : 07231500  
Place: Mumbai  
Date: 01 June 2020



**Pooja Sheth**  
Director  
DIN : 07294306  
Place: Mumbai  
Date: 01 June 2020

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**21 IGAAP to Ind AS reconciliation**

The following reconciliations provide the explanations and quantifications of the differences arising between Indian GAAP and Ind AS in accordance with Ind AS 101:

1. Reserves as at March 31, 2019 & as at March 31, 2020
2. Net Profit after tax for the year ended March 31, 2019 & March 31, 2020.

**i) Reconciliations of reserves between Ind-AS and Previous GAAP are given below:**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Total Equity as per Indian GAAP</b>	<b>(3,81,311)</b>	<b>7,41,549</b>
<b>Summary of Ind AS adjustments</b>		
Preliminary expenses written off	-	(3,450)
<b>Total Ind AS adjustments</b>	<b>-</b>	<b>(3,450)</b>
<b>Total Equity as per Ind AS</b>	<b>-3,81,311</b>	<b>7,38,099</b>

**ii) Reconciliation of Net Profit after tax between Ind-AS and Previous GAAP are given below:**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Profit After Tax as per Indian GAAP</b>	<b>(11,22,860)</b>	<b>(10,28,711)</b>
<b>Summary of Ind AS adjustments</b>		
Preliminary expenses written off	3,450	6,900
<b>Total Ind AS adjustments</b>	<b>3,450</b>	<b>6,900</b>
<b>Total Comprehensive income as per Ind AS</b>	<b>(11,19,410)</b>	<b>(10,21,811)</b>

**Footnotes to the reconciliation of reserves as at April 1, 2019 to March 31, 2020 and statement of profit or loss for the year ended March 31, 2020**

a. Preliminary expenses incurred on share issue expenses carried forward under previous GAAP adjusted against the opening balance of retained earnings. Expense charged to income statement for the year ended March 31, 2018 under previous GAAP reversed.

**NOTE**

Previous GAAP figures have been reclassified/regrouped wherever necessary to conform with financial statements prepared under Ind AS.