SFO TECHNOLOGIES

A NeST Group Company

CREATING INNOVATIVE SOLUTIONS

Annual Report 2019-20

INDEX

SFO Technologies Private Limited

(A NeST Group Company)

Phone :91 484 6614000
Fax : 91 484 2413053
Website : www.sfotechnologies.net
Email : contact@sfotechnologies.net
CIN : U72900KL1990PTC005620

Registered office : XIX/346, Stone House, Market Road, Aluva - 683 101, Kerala, INDIA

Corporate Office : Plot No.02, Cochin Special Economic Zone, Kakkanad-682037, Ernakulam, Kerala, INDIA

NOTICE OF 30th ANNUAL GENERAL MEETING

Notice is hereby given that the **30th** Annual General Meeting of **SFO TECHNOLOGIES PRIVATE LIMITED** will be held on **Thursday, the 31st December 2020**, at 04:00 PM at the Registered Office of the company at Stone House, Market Road, Aluva-683101, Ernakulam, Kerala to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a) Audited standalone financial statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors' and Auditors' thereon;

   b) Audited consolidated financial statements of the Company for the financial year ended 31st March 2020, together with the Report of the Auditors' thereon.

You are requested to kindly attend the meeting.

By order of the Board of Directors

Sd/-
K Padmanabhan
Company Secretary

Place : Aluva
Date : 31.12.2020

Notes:

(i) A member entitled to attend and vote in the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

(ii) Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the Annual General Meeting by way of video conferencing.

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SHORTER NOTICE OF 30th ADJOURNED ANNUAL GENERAL MEETING

Notice is hereby given that the **30th** Adjourned Annual General Meeting of **SFO TECHNOLOGIES PRIVATE LIMITED** will be held on **Monday, the 01st day of March 2021**, at 10:00 AM at the Registered Office of the company at Stone House, Market Road, Aluva-683101, Ernakulam, Kerala to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   a) Audited standalone financial statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors' and Auditors' thereon;

   b) Audited consolidated financial statements of the Company for the financial year ended 31st March 2020, together with the Report of the Auditors' thereon.

You are requested to kindly attend the meeting.

By order of the Board of Directors

Sd/-
Kumaravel Padmanabhan
Company Secretary

Place : Aluva
Date : 27.02.2021

Notes:

(i) A member entitled to attend and vote in the meeting is entitled to appoint a proxy and vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective should be deposited at the Registered Office of the company not less than 48 hours before the commencement of the meeting.

(ii) Please note that the Company intends to make provision for shareholders of the Company, or their proxies, to participate in the Annual General Meeting by way of video conferencing.

SFO TECHNOLOGIES PRIVATE LIMITED

Registered Office: Stone House, Market Road, Aluva-683101, Ernakulam, Kerala

PROXY FORM

30th Adjourned Annual General Meeting

I/We……
…….…...
(enter name) having address at .....
……
(enter address), a member of SFO Technologies Private Limited, do hereby appoint Mr/Ms
……...……,
(enter name) ……..……
…….(enter address), as my/our proxy to attend and vote for me/us on my/our behalf at the 30th Adjourned Annual General Meeting of the company, to be held on Monday, the 01st day of March 2021, at 10:00 AM at the Registered Office of the company at Stone House, Market Road, Aluva-683101, Ernakulam, Kerala and at any adjournments thereof.

IN WITNESS whereof I/We set hands this …….day of …….2021.

Folio No :

No. of shared held :

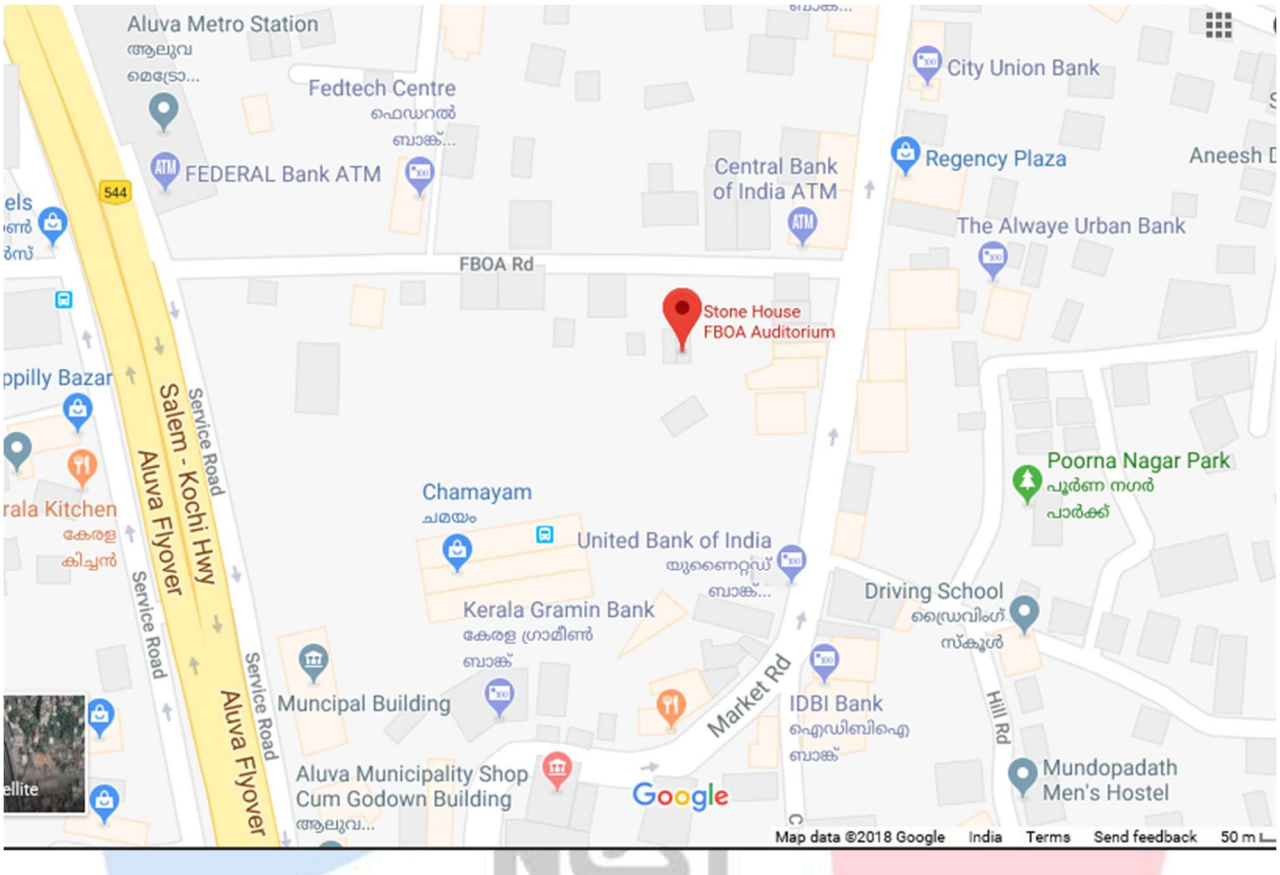
Signature :

Please affix
Rs. 1.00 revenue stamp

(Signature of the shareholder across the stamp)

Note: Proxy must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

ROAD MAP TO THE VENUE



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DIRECTORS' REPORT 2019-20

Dear Shareholders,

Your Directors have pleasure in presenting the 30th Annual Report of your company, **SFO TECHNOLOGIES PRIVATE LIMITED** along with the audited accounts for the financial year ended 31st March 2020.

(1) Financial Highlights

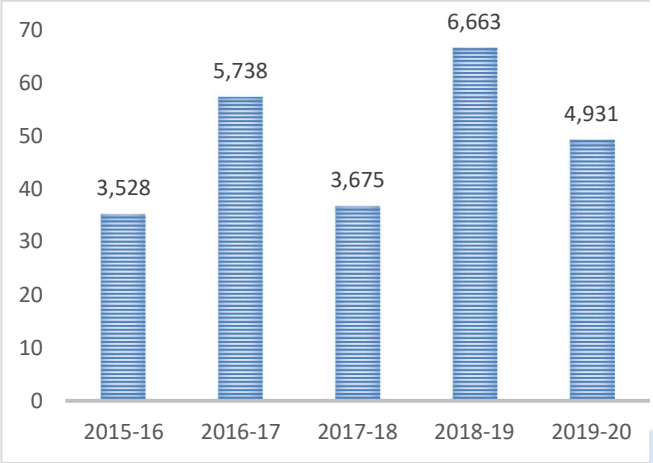
(Amount in Lakhs except *per share* data)

Particulars	Standalone		Consolidated	
	2020	2019	2020	2019
Revenue from Operations (Net)	1,46,021	1,37,088	1,78,897	1,66,965
Material consumed	100,615	95,987	1,15,290	1,09,952
Gross Profit	45,406	41,101	63,607	57,013
Other Income	1,698	2,744	1,797	2,809
Operating and other expenses	35,489	31,154	48,176	47,256
Profit Before Interest, Depreciation & Tax	14,377	13,061	22,047	13,230
Interest	5,332	3,849	7,216	4,919
Depreciation	4,114	2,549	4,962	3,621
Profit Before Tax (PBT)	4,931	6,663	9,869	4,690
Tax expense	1,917	1,575	2,289	1,784
Profit After Tax (PAT)	3,014	5,088	7,581	2,906
Share of loss attributable to minority interest	-			
Share of profits of associates	-			
Net Profit	3,014	5,088	7,581	2,906
Earnings Per share-basic/diluted	329	556	828	317

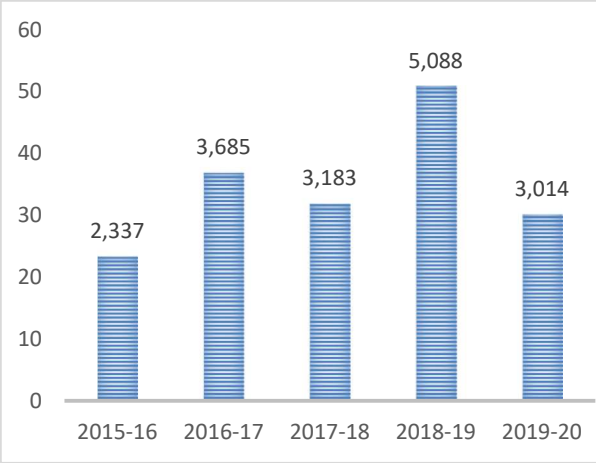
(2) Results of operations

Total Revenue recorded for the year under review was Rs. 1,47,719 Lakhs as against the last year revenue of Rs. 1,39,832 Lakhs in the previous year. Your company has achieved a Profit Before Tax of Rs. 4,931 Lakhs as against Rs. 6,663 Lakhs in the previous year. Total Profit After Tax for the year under report is Rs. 3,014 Lakhs as against the previous year figure of Rs. 5,088 Lakhs.

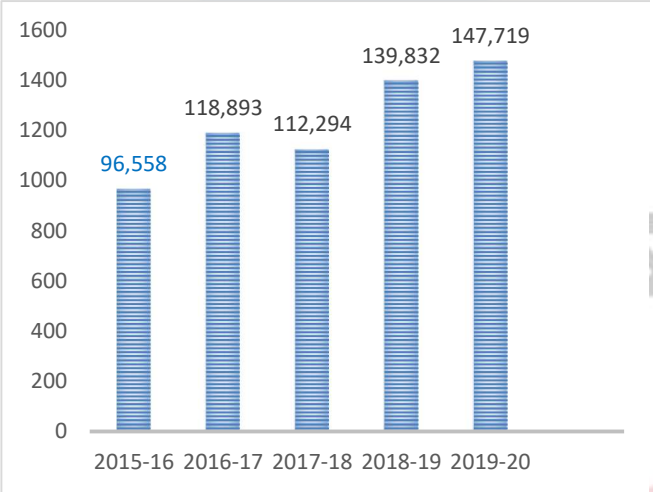
Profit Before Tax (INR in Lakhs)



Profit After Tax (INR in Lakhs)



Total Revenue (INR in Lakhs)



(3) Business

Your company has recorded continuous growth in its business during the year under review and has successfully added new customers including global electronic leaders, in the sectors including Healthcare, Industrial, Defence, Transportation, Automotive. Your company, through its inherent strengths and capabilities is confident of achieving increased pace in sales and profitability in the upcoming years also.

(4) Material Changes Affecting the Financial Position of the Company

There have been no material changes and commitments, affecting the financial position of the Company which occurred during the period between the end of the financial year to which the financial statements relate and the date of this report.

For the preparation of Financial statements, our Auditors have adopted Ind AS in the financial year 2019-20 instead of Indian GAAP (Generally Accepted Accounting Principles) as used in the previous years.

(5) Adequacy of Internal Financial Controls with Reference to Financial Statements

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed.

(6) Dividend

To conserve the financial resources, the Board of Directors is not recommending any Dividend.

(7) Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

There were no transactions requiring the company to transfer any amounts to IEPF during previous years and hence the provisions of Section 125 of the Companies Act, 2013 do not apply.

(8) Directors

The directors of the company are as under:

No.	Name of Directors	Designation
1	Dr. Javad K Hassan	Chairman
2	Mr. Nagoor Rawther Jehangir	Managing Director

Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 are applicable to the company. Mr. Kumaravel Padmanabhan is the Company Secretary in line with the said Rules.

(9) Company's Policy relating to Directors appointment, Payment of Remuneration and discharge of their duties

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

(10) Declaration of Independent Directors

The provisions of Section 149 of the Companies Act, 2013 regarding the appointment of Independent Directors do not apply to the company and hence the declaration required under section 149(6) is not applicable.

(11) Shares

During the year under review, the company has undertaken following transactions:

Increase in Share Capital	Buy Back of Securities	Sweat Equity	Bonus Shares	Employees Stock Option Plan
Nil	Nil	Nil	Nil	Nil

(12) Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure A** and is attached to this Report.

(13) Number of Board Meetings

The Company has conducted 16 (Sixteen) Board meetings during the financial year under review. The attendance of Directors for the Board meetings are as under:

No.	Date	*Dr. Javad K Hassan*	*Mr. N Jehangir*
1	20 May 2019	✓	✓
2	10 June 2019	✓	✓
3	01 July 2019	✓	✓
4	11 July 2019	✓	✓
5	02 August 2019	✓	✓
6	23 August 2019	✓	✓
7	24 September 2019	✓	✓
8	30 September 2019	✓	✓
9	10 October 2019	✓	✓
10	10 November 2019	✓	✓
11	26 December 2019	✓	✓
12	14 January 2020	✓	✓
13	16 January 2020	✓	✓
14	23 February 2020	✓	✓
15	12 March 2020	✓	✓
16	31 March 2020	✓	✓

[✓ : Attended / X : Not attended / NA : Not Applicable]

(14) Particulars of Loans, Guarantees and Investments under Section 186

Details of Loans, Guarantees and Investments under Section 186 are provided under note 28.2 of the audited financials of the company.

(15) Particulars of Contracts or Arrangements made with Related Parties

Details provided in **Annexure B** in AOC-2 format pursuant to clause 2(h) of sub section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014.

(16) Deposits

The Company has not accepted any deposits during the year under review.

(17) Conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014

(A) Conservation of Energy

Your company has taken adequate steps for effective utilization of energy at all levels of production process.

(B) Technology Absorption

Your company is constantly upgrading the technological innovations in to the production process. The company, in accordance with the latest technology sets process, systems and put efforts to provide best price, which aids the company retain its premium customers and getting orders from the existing and new customers.

(C) Foreign Exchange Earnings and Outgo

Foreign exchange earned and used for the year ended on 31st March, 2020: (Rs. Lakhs)

		March 2020	March 2019
Foreign exchange earnings	:	76,235	71,174
Foreign exchange outgo	:	601	369

(18) Statutory Auditors

M/s MSKA & Associates, Chartered Accountants, (Firm Registration No. 105047W) having office at 05th Floor, Main Building, Guna Complex, New No. 443 & 445, Old No. 304, 305, Mount Road, Teynapet, Chennai-600018 India has been appointed as the Auditors and acts as the Statutory Auditors of the Company till the conclusion of 32nd Annual General Meeting of the Company, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the Auditors.

(19) Explanation or Comments on Qualifications, Reservations or Adverse Remarks or Disclaimers made by the Auditors and the Practicing Company Secretary in their Reports

There are no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

(20) Disclosure of Composition of Audit Committee and Providing Vigil Mechanism

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2013 regarding constitition of Audit Committee is not applicable to the company.

Further, section 177 (9) of the Companies Act, 2013 and Rules 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 regarding Vigil Mechanism is applicable to the Company and acordingly a 'Vigil Policy'approved by the Board of Directors of the company is in place. The Board has nominated Mr. N Jehangir, Managing Director of the company to implemnet vigil mechanism in the company.

(21) Risk Management Policy

The company has in force a "Risk Management Policy" aproved by the members of the Board of Directors of the company.

(22) Corporate Social Responsibility (CSR) Policy

SFO Technologies Private Limited is committed to serve the society as a token of its gratitude for the continuous support extended to it by the society. Further, section 135 of the Companies Act, 2013 also mandates certain group of companies to adopt a policy for Corporate Social Responsibility. Company has in place, a Corporate Social Responsibility Policy adopted by the Board of Directors of the company.

The composition of the CSR Committee is as under:

No.	Name	Designation
1	Mr. N Jehangir	Chairman of the CSR Committee
2	Dr. Javad K Hassan	Member

The contents of the CSR policy and initiatives taken by the Company on Corporate Social Responsibility during the year 2019-20 is attached as **Annexure C** to this Report.

(23) Research and Development (JKH Technology Centre)

The R&D division of the company has been undertaking Concept to Product activities, which are becoming potential for volume manufacturing business. The Value engineering activities are also acting as a catalyst for the manufacturing opportunities from customer. R&D centre of the company has bagged some R&D projects from healthcare customers, where novel ideas are being tried out.

(24) Technology Road Map

The technology road map adopted by the company will establish your company, a leader in medical electronics, automotive, aerospace and embedded system software products and services during the next few years.

(25) Subsidiaries

The list of subsidiary companies of the company is as under:

1. NeST Hi-Tek Park Private Limited, India
2. Ray-Hans Precision Tools Private Limited, India
3. NeST Information Technologies Private Limited, India
4. SFO Technologies Corporation, Wisconsin, USA
5. ICAM Solution Private Limited, India

In accordance with Section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 is provided at **Annexure D.**

(26) Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis;

(e) The directors had devised proper Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and operating effectively;

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

(27) Particulars of Employees

Details of employees in the company receiving remuneration of Rs. 60 Lakhs or more, or employed for part of the financial year and in receipt of Rs. 5 Lakhs or more a month, under Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as **Annexure E.**

(28) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

(29) Information required under sexual harassment of women at workplace (prevention, prohibition & redressal) Act, 2014

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed off during the year 2019-20:

(a)	No of complaints received	:	Nil
(b)	No of complaints disposed off	:	NA
(c)	Number of cases pending for more than 90 days		Nil
(d)	Number of workshops or awareness programmes against sexual harassment carried out	:	-
(e)	Nature of action taken by the employer or District Officer	:	Nil

(30) Appreciation

We thank our clients, vendors, authorities of Cochin Special Economic Zone, Customs and Central Excise departments, Income Tax Authorities, Registrar of Companies-Kerala and our Bankers for their continued support during the year. We place on record our appreciation of the contribution made by the employees at all levels. Our consistent growth was made possible by their hard work, co-operation and support.

By order of the Board of Directors

Sd/-
Javad K Hassan
Chairman

Place : Ernakulam
Date : 27 February 2021

Annexure A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
(As on financial year ended on 31.03.2020)

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	**U72900KL1990PTC005620**
2.	Registration Date	**08/02/1990**
3.	Name of the Company	**SFO TECHNOLOGIES PRIVATE LIMITED**
4.	Category/Sub-category of the Company	**Private Limited company**
5.	Address of the Registered office & contact details	**Stone House, Market Road, Aluva-683101, Ernakulam, Kerala, India, Ph : 0484-6614300**
6.	Whether listed company	**No.**
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	**KFin Technologies Private Limited. Selenium Building, Tower-B, Plot No 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Ph: +91-40-23312454**

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SI. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	PCB Assembling	**261**	93.09

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled: 05]

No	Name and Address Of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	**Nest Hi-Tek Park Private Limited,** Stone House, Market Road, Aluva-683101, Ernakulam, Kerala, INDIA	U70102KL2007PTC020633	Subsidiary	100	2(87)
2	**SFO Technologies Corporation,** 200 South Executive Drive, Suite 101 Brookfield, Wisconsin 53005, United States of America	Nil	Foreign Subsidiary	100	2(87)
3	**NeST Digital Private Limited (Formerly NeST Information Technologies Private Limited**, VI/165 Mackar Manzil, Thynothil Road, Aluva Ernakulam, Kerala, INDIA	U72200KL1998PTC012602	Subsidiary	100	2(87)
4	**Ray-Hans Precision Tools Private Limited**, Stone House, Market Road, Aluva-683101, Ernakulam, Kerala, INDIA	U29220KL2006PTC019920	Subsidiary	100	2(87)
5	**ICAM Solution Private Limited,** 113/A Bommasandra industrial Area Hosur Road Bangalore Bangalore, Karnataka- 560099, INDIA	U72900KA2000PTC026932	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) **INDIAN**									
a) Individual/ HUF	-	**2,50,141**	**2,50,141**	**27.32**	-	**2,50,141**	**2,50,141**	**27.32**	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A) (1)	-	**2,50,141**	**2,50,141**	**27.32**	-	**2,50,141**	**2,50,141**	**27.32**	-
(2) FOREIGN									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	**4,65,950**	**4,65,950**	**50.89**	-	**4,65,950**	**4,65,950**	**50.89**	-
© Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	-	**4,65,950**	**4,65,950**	**50.89**	-	**4,65,950**	**4,65,950**	**50.89**	-
Total shareholding of Promoter (A)=(A)1+(A)2	-	**7,16,091**	**7,16,091**	**78.21**	-	**7,16,091**	**7,16,091**	**78.21**	-
B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	1000	1000	0.11	-	1000	1000	0.11	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	140	140	0.01	-	140	140	0.01	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	1,98,358	1,98,358	21.67	-	1,98,358	1,98,358	21.67	-
Others (specify) Sub Total (B) = (B)(1) + (B)(2)	-	1,99,498	1,99,498	21.79	-	1,99,498	1,99,498	21.79	-
(C) SHARES HELD BY CUSTODIAN FOR GDRS AND ADRS									
-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	9,155,89	9,155,89	100	-	9,155,89	9,155,89	100	-

Shareholding of Promoter-

No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	**Dr. Javad K Hassan**	4,65,950	50.89	Nil	4,65,950	50.89	Nil	-
2	**Mr. N Jehangir**	2,50,141	27.32	Nil	2,50,141	27.32	Nil	-

D. Change in Promoters' Shareholding (please specify, if there is no change)

SN.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	**7,16,091**	**78.21**		
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
3	At the end of the year	**7,16,091**	**78.21**	-	-

E. Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs) :

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
01	Mrs. Nishi Jehangir	1,39,860	15.28	-	-
02	Mr. Althaaf Jehangir	58,498	6.39	-	-
03	M/s NTC Softech India P Ltd	1000	0.11	-	-
04	Mr. A M Iqbal	140	0.01	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	Same as that of beginning of the year			

F. Shareholding of Directors and Key Managerial Personnel:

SN	**Shareholding of each Directors and each Key Managerial Personnel**	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	7,16,091	78.21	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for	*Nil*			

	increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	7,16,091	78.21		

G. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment (INR in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	–
i) Principal Amount	28,929		-	28,929
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	28,929		-	28,929
Change in Indebtedness during the financial year				
* Addition	2,800	-	-	-
* Reduction		-	-	
Net Change		-	-	
Indebtedness at the end of the financial year				
i) Principal Amount	31,729	-	-	31,729
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	31,729	-	-	31,729

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amt Rs.**)**

SN.	Particulars of Remuneration	Mr. N Jehangir	Total Amount
1	Gross salary		Nil
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,00,000	6,00,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2	Stock Option	Nil	Nil
3	Sweat Equity	Nil	Nil
4	Commission (- As % of profit/- Others, specify…	Nil	Nil
5	Others, please specify	Nil	Nil
	Total (A)	**6,00,00,000**	**6,00,00,000**
	Ceiling as per the Act	NA	Nil

B. Remuneration to other directors : NA

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil	Nil	Nil
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil
	Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil	Nil	Nil

C. Remuneration to Key Managerial Personnel other than MD / MANAGER / WTD (Amt. `)

No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	41,98,404	Nil	41,98,404
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	41,98,404	Nil	41,98,404

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	NA	NA	NA	Nil
Punishment	Nil	NA	NA	NA	Nil
Compounding	Nil	NA	NA	NA	Nil
B. DIRECTORS					
Penalty	Nil	NA	NA	NA	Nil
Punishment	Nil	NA	NA	NA	Nil
Compounding	Nil	NA	NA	NA	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	NA	NA	NA	Nil
Punishment	Nil	NA	NA	NA	Nil
Compounding	Nil	NA	NA	NA	Nil

For SFO Technologies Private Limited

Sd/-

Javad K Hassan
Chairman
(DIN: 00004483)

Annexure B

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and* Rule 8(2) of the Companies (Accounts) Rules, 2014)

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISO THERETO

1.	**Details of contracts or arrangements or transactions not at arm's length basis**	NIL
(a)	Name(s) of the related party and nature of relationship	-
(b)	Nature of contracts/ arrangements/ transactions	-
(c)	Duration of the contracts / arrangements/transactions	-
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
(e)	Justification for entering into such contracts or arrangements or transactions	-
(f)	Date(s) of approval by the Board	-
(g)	Amount paid as advances, if any:	-
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2	**Details of material contracts or arrangement or transactions at arm's length basis**	Sales, Purchase and Services to Related Party Company
(a)	Name(s) of the related party and nature of relationship	Refer note below.
(b)	Nature of contracts/ arrangements/ transactions	Sale, purchase and services
(c)	Duration of the contracts / arrangements/transactions	During the financial year
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	-
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any	NIL

Note : List of related parties with whom/which the company had transactions:

Description of Relationship	Name of Related Party
Wholly owned subsidiaries	Nest Hi-Tek Park Private Limited
	SFO Technologies Corp USA
	Nest Information Technologies Private Limited
	Ray-Hans Precision Tools Private Limited
	ICAM Solution Private Limited
Enterprises under the direct / indirect control of the Company	Nest Information Technologies (LLC), Dubai
	Nest Information Technologies (Aus), Australia
	SFO Tech Inc., USA
	Qual-Pro Corporation
Person controlling the Company	Mr. Javad K. Hassan
Key Management Personnel - Managing Director	Mr. N. Jehangir
Relatives of Key Management Personnel	Mrs. Nishi Jehangir, Wife of Mr. N. Jehangir
	Mrs. Nazneen Jehangir, Daughter of N. Jehangir
	Mr. Althaaf Jehangir, Son of Mr. N. Jehangir

Enterprises under the control of the Person controlling the Company	Opterna AM, USA
	Opterna Europe, UK
	Opterna AB, Sweden
	Opterna MEA Fz Co., Dubai
	Opterna, Africa
	Ashling Microsystems Limited, Ireland
	Auriga NeST MEA Fz Co., Dubai
	NeST Europe Limited, Europe
	Nest Technologies Corporation, USA
	Nestrides, Japan
	JKH Associates LLC, USA
	SFO Technologies Inc. USA
	E Cell Technologies, USA
	NTC Softech India Private Limited
	Javad K Hassan Consultancy Private Limited
	Javad K Hassan Associates Fz Co.
	SFO Technoloigies Northlight
	JAVAD K HASSAN ASSOCIATES LLC
	Saba Powderdex Private Limited
	Opterna Technologies Private Limited
	Parnitha Holdings
	ECell Healthcare Private Limited
	Allied Network Solutions India Private Limited
	Opterna Arabia
	Opterna WGD AG
Enterprises under the control of Managing Director	NeST Technology Enabled Services Private Limited
	NeST Infra Soft Limited
	Nest Realties India Private Limited
	NJ Business Corporation
	NeST Foods & Beverages Corporation
	Nenmany Agro Mills Private Limited
	NeST Research & Development Centre (Registered Society)
	Naz Rice and Foods Private Limited
	Q Life Consumer Products Private Limited
	Royal Malabar Foods Private Limited
	NeST Agro Foods (Proprietorship)
	N J Enterprises (Proprietorship)
	Nest Institute of Fibre Optics Technologies Private Limited
	SFO Technologies Solutions Private Limited
	Nest Conectivity Corporation
	Nest Connectivity Solutions Private Limited
	Nest Connectivity Solutions Pte Limited
	SFO Technologies Pte, Singapore
	Ray-Hans Cables and Magnetics Private Limited
	Ray-hans Technologies Private Limited
	Ray-Hans Luminaries Private Limited
	Photon Data Links Private Limited
	Green House Cardamom Marketing India Private Limited
	NEID Engineering & Infrastructure Development Private Limited

Details of Transactions with Related Party in the Ordinary course of business for the year ended March 31, 2020

	Amount INR in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Subsidiaries		
Purchase of Goods/ Services	1,115	527
Sale of Goods/ Services	81	852
Loans Given	768	1,812
Loans repaid	1,634	1,222
Purchase of Investment	-	262
Enterprises under the control of the person controlling the Company		
Purchase of Goods/ Services	136	7,649
Sale of Goods/ Services	1012	12,064
Key Managerial Personnel – MD		
Loans given	2979	4053
Loans Repaid	3349	4138
Remuneration paid	600	600
Enterprises under the Control of MD		
Purchase of Goods/ Services	635	489
Sale of Goods/ Services	3564	1173
Relative of Key Managerial Personnel		
Purchase of Goods/Services	6	6
Remuneration Paid	-	30

Annexure C

ANNUAL REPORT ON CSR ACTIVITIES

1. Overview

SFO Technologies Private Limited (SFO), the flagship company of NeST Group of Companies is conscious of the need and responsibility to serve the society in which it exists. SFO acknowledges the contribution of the society in providing an environment to create wealth, market, employment, prosperity and all such other key factors to successfully run a business. SFO, is committed to serve the society, as a token of its gratitude for the continuous support of the society. SFO's focus has always been on the sustainable development of the society; through this policy, SFO attempt to focus more in serving the society at large.

2. Composition of the CSR Committee

The Committee comprises of (i) Dr. Javad K Hassan, Chairman of the company and (ii) Mr. Nagoor Rawther Jehangir, Managing Director; Mr. Nagoor Rawther Jehangir acts as the Chairman of the committee.

3.	Average Net profit of the company for the last 03 financial years	:	Rs. 4879.5 Lakhs
4.	Prescribed CSR Expenditure/ Gross Amount required to be Spend by the Company (2% of the amount as in item 3 above)	:	Rs. 97.59 Lakh
5.	Details of CSR spent during the financial year (Measures for reducing inequalities faced by the socially and economically backward groups/Contribution towards Charitable activities)	:	Rs. 36 Lakh
(a)	Total amount to be spent for the financial year	:	Rs. 36 Lakhs
(b)	Amount unspent if any	:	Rs. 61.59 Lakh

(c) Manner in which amount spent during the financial year is detailed below:

(Amt. Rs. Lakhs)

1	(2)	(3)	(4)	(5)	(6)	(7)	(8)
No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (i) local area or other (2) specify the state and district where products or programs were undertaken	Amount outlay (budget) project or program wise (Amt. Rs)	Amount spent on the projects or programs Sub heads : (1) District expenditure on projects or programs (2) overheads:	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
1	Measures for reducing inequalities faced by the socially and economically backward groups/Contribution towards Charitable activities	Charity	Local area	36,00,000/-	36,00,000/-	-	36,00,000/-
	Total			36,00,000/-	36,00,000/-	-	36,00,000/-

6. Reason for not spending

NA

We, the members of the CSR Committee hereby confirm that the implementation and monitoring of the CSR policy is in compliance with CSR objectives and policy of the company.

Sd/-
N Jehangir
Managing Director
(Chairman of the CSR Committee)

Sd/-
Javad K Hassan
Member-CSR Committee

Annexure D

Form AOC-I
(Pursuant to first proviso to sub-section (3) of section 129 read with
Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rs.)

1	Sl. No	1
2	Name of the subsidiary	Nest Hi-Tek Park Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	215,000,000/-
6	Reserves & surplus	(10,41,31,071/-)
7	Total assets	42,31,26,740/-
8	Total Liabilities	42,31,26,740/-
9	Investments	-
10	Turnover	61,58,400/-
11	Profit before taxation	(5,04,89,783/-)
12	Provision for taxation	14,38,476/-
13	Profit after taxation	(5,19,28,258)
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	2
2	Name of the subsidiary	SFO Technologies Corporation
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD
5	Share capital	$ 50,000/-
6	Reserves & surplus/ Retained Earnings	$ 56,947/-
7	Total assets	$ 22,31,497/-
8	Total Liabilities	$ 22,31,497/-
9	Investments	0
10	Turnover	$ 12,11,986/-
11	Profit before taxation	$ (50,557/-)
12	Provision for taxation	0
13	Profit after taxation	$ (50,557/-)
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	3
2	Name of the subsidiary	NeST Digital Private Limited (Formerly NeST Information Technologies Private Limited)
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	1,34,000/-
6	Reserves & surplus	16,13,08,233/-
7	Total assets	36,43,45,381/-
8	Total Liabilities	36,43,45,381/-
9	Investments	1,14,38,248/-
10	Turnover	48,33,85,418/-
11	Profit before taxation	4,33,53,614/-
12	Provision for taxation	1,09,26,137/-
13	Profit after taxation	3,24,27,477/-
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	4
2	Name of the subsidiary	Ray-Hans Precision Tools Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	2,50,00,000/-
6	Reserves & surplus	9,58,61,740/-
7	Total assets	49,05,99,522/-
8	Total Liabilities	49,05,99,522/-
9	Investments	34,21,55,042/-
10	Turnover	20,33,80,212/-
11	Profit before taxation	(4,41,62,101/-)
12	Provision for taxation	74,41,246/-
13	Profit after taxation	(5,16,03,347/-)
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

1	Sl. No	5
2	Name of the subsidiary	ICAM Solution Private Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5	Share capital	33,25,500/-
6	Reserves & surplus	8,90,75,316/-

7	Total assets	37,16,92,934/-
8	Total Liabilities	37,16,92,934/-
9	Investments	-
10	Turnover	49,19,18,795/-
11	Profit before taxation	4,28,59,320/-
12	Provision for taxation	1,24,00,688/-
13	Profit after taxation	3,04,58,632/-
14	Proposed Dividend	-
15	% of shareholding	100% held by SFO Technologies P Ltd

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations : **Nil**
2. Names of subsidiaries which have been liquidated or sold during the year : Nil

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures		-
1	Latest audited Balance Sheet Date	-
2	Shares of Associate/Joint Ventures held by the company on the year end	-
	No.	-
	Amount of Investment in Associates/Joint Venture	-
	Extend of Holding %	-
3	Description of how there is significant influence	-
4	Reason why the associate/joint venture is not consolidated	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	-
6	Profit / Loss for the year	-
	i. Considered in Consolidation	-
	i. Not Considered in Consolidation	-

1. Names of associates or joint ventures which are yet to commence operations: Nil
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For SFO Technologies Private Limited

Sd/-	**Sd/-**	**Sd/-**
N Jehangir	**Javad K Hassan**	**K Padmanabhan**
Managing Director	**Chairman**	**Company Secretary**

Annexure E

Particulars of Employees under Rule 5 (1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in accordance with the provisions of Section 197 (12) of the Companies Act, 2013

Name & designation	Remuneration (Rs.)	Nature of employment	Qualification, Experience	Date of commencement of employment	Age	Last employment	% of equity shares	Whether any relative is a director/manager in the company
N Jehangir (Managing Director)	6,00,00,000/-	Permanent	Graduation	01/11/2006	65	-	17.16	Dr. Javad K Hassan, Chairman of the company is the brother of Mr. N Jehangir

MSKA
& Associates
Chartered Accountants

Floor 5, Main Building, Guna Complex
New No. 443 & 445, Old No. 304 & 305, Anna Salai
Teynampet, Chennai 600018, INDIA
Tel: + 91 44 6131 0200

INDEPENDENT AUDITORS' REPORT

To the Members of SFO Technologies Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SFO Technologies Private Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 March 31, 2020, and profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' 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 Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for 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 in the 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

MSKA & ASSOCIATES CHENNAI Chartered Accountants

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Regd. No. 105047W | Ahmedabad | Bengaluru | Chennai | Goa | Gurugram | Hyderabad | Kochi | Kolkata | Mumbai | Pune www.mska.in

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.
We give in "Annexure A" a detailed description of Auditors' responsibilities for Audit of the Standalone Financial Statements.

Other Matter

Due to the restrictions and lock down laid by the government due to the COVID-19 pandemic it was impracticable for us to attend the physical verification of inventory carried out by the management subsequent to year end. Consequently, we have performed related alternative audit procedures and have obtained sufficient, appropriate audit evidence over the existence of inventory (amounting Rs. 48,637 Lakhs) as on March 31, 2020.

Our opinion is not modified in respect of this matter.

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 Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements;

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.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 29409
UDIN: 21029409AAAABQ8477

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Place: Chennai
Date: December 31, 2020

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SFO TECHNOLOGIES PRIVATE LIMITED

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 internal financial controls with reference to standalone financial statements 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 auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.

MSKA & ASSOCIATES CHENNAI Chartered Accountants

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.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 29409
UDIN: 21029409AAAABQ8477

MSKA & ASSOCIATES
CHENNAI
Chartered Accountants

Place: Chennai
Date: December 31, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SFO TECHNOLOGIES PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2020

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

i.

(a) The company has maintained proper records showing particulars of fixed assets, although quantitative details and description and location of some of the assets are yet to be updated.

(b) All the fixed assets (Property, Plant and Equipment) have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of freehold land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of freehold land and buildings whose title deeds have been pledged as security for loans (refer Note 20 and 23 to the accompanying standalone financial statements for details) are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

ii. The inventory except, those lying with third parties has been physically verified by the management during the year. Inventories lying with third parties, have been confirmed by them as at March 31, 2020. In our opinion, the frequency of such verification is reasonable. No material discrepancies were noticed on verification between the physical inventory and the book records.

iii. The Company has granted loans, unsecured to six Company's covered in the register maintained under section 189 of the Act.

(a) According to the information and explanations given to us and records of the Company examined by us, the rate of interest and other terms and conditions on which the loans have been granted to the Companies listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) In case of the loans granted to the Companies listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest as per loan agreement.

(c) There are no amounts overdue for more than ninety days in respect of the unsecured loan granted to Company's listed in the register maintained under section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, in respect of loans made during the year. The Company has not made investments through more than two layers of investment companies, nor provided guarantees during the year in accordance with the provisions of section 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the

Act and the rules framed there under and hence reporting under clause (v) of the Order is not applicable.

vi. The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

vii.

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income tax, service tax on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	709.85	AY 2017-18	Commissioner of Income Tax (Appeals) Kochi
Kerala Value Added Tax Act, 2003	Value added tax	141.79	AY 2012-13 to 2014-15	Deputy Commissioner (Appeals), Trivandrum

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

ix. In our opinion, according to the information, explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees during the year.

MSKA & ASSOCIATES CHENNAI Chartered Accountants

xi. According to the information and explanations given to us, since the Company is a private company the provisions of Section 197 of the Companies Act, 2013 will not be applicable. Accordingly, the provisions stated in paragraph 3(xi) of the Order are not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. The Company is a Private Company and hence the provision of section 177 of the Act are not applicable to the Company.

xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No.: 29409
UDIN: 21029409AAAABQ8477

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Place: Chennai
Date: December 31, 2020

ANNEXURE C TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SFO TECHNOLOGIES PRIVATE LIMITED
[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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 with reference to standalone financial statements of SFO Technologies Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements 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) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 internal financial controls with reference to standalone financial statements 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 internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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' judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements 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, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 21029409AAAABQ8477

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Place: Chennai
Date: December 31, 2020

SFO Technologies Private Limited
Standalone Balance Sheet as at March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

	Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Non-current assets				
Property, plant and equipment	4A	17,200	17,499	18,224
Right of use assets	4B	4,555	-	-
Capital work-in-progress		620	34	27
Goodwill	6	3,659	3,659	3,659
Other intangible assets	5	760	347	497
Intangible assets under development		3,577	3,315	1,907
Financial assets				
Investments	7	8,098	7,917	7,297
Loans	8	7,333	7,755	6,629
Other financial assets	9	920	2,113	1,838
Other non-current assets	10	828	1,726	1,159
Total non-current assets		47,550	44,365	41,237
Current assets				
Inventories	11	48,637	36,766	26,798
Financial assets				
Investments	7	48	53	53
Trade receivables	12	27,652	36,753	27,604
Cash and cash equivalents	13	4,541	2,303	2,978
Bank balances other than cash and cash equivalent	14	224	380	47
Other financial assets	15	2,833	967	1,073
Current tax assets	16	-	-	2,441
Other current assets	17	11,840	10,030	9,961
Total current assets		95,775	87,252	70,955
Total assets		1,43,325	1,31,617	1,12,192
EQUITY AND LIABILITIES				
Equity				
Equity share capital	18	916	916	916
Other equity	19	54,923	52,280	46,646
Total equity		55,839	53,196	47,562
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	20	2,345	2,665	3,373
Lease liabilities	48	3,635	-	-
Other financial liabilities	21	-	4	54
Employee benefit obligations	22	1,286	885	872
Deferred tax liabilities	36	1,798	1,097	1,359
Total non-current liabilities		9,064	4,651	5,658
Current liabilities				
Financial liabilities				
Borrowings	23	29,384	26,264	24,840
Lease liabilities	48	1,228	-	-
Trade payables	24			
i)total outstanding dues of micro enterprises and small enterprises		3,142	1,377	-
ii)total outstanding dues of creditors other than micro enterprise and small enterprises		38,828	40,744	28,660
Other financial liabilities	25	2,820	3,428	2,306
Other current liabilities	26	1,676	1,326	3,104
Employee benefit obligations	22	23	64	62
Current tax liabilities	27	1,321	567	-
Total current liabilities		78,422	73,770	58,972
Total liabilities		87,486	78,421	64,630
Total equity and liabilities		1,43,325	1,31,617	1,12,192
Summary of significant accounting policies	1-3			

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: December 31, 2020

MSKA & ASSOCIATES CHENNAI Chartered Accountants

For and on behalf of the Board of Directors
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

Javad K. Hassan
Chairman
DIN: 00004483

R. Jehangir
Director
DIN: 00002790

K. Padmanabhan
Company Secretary
Membership No: F6985

Place:Kochi
Date: December 31, 2020

SFO Technologies Private Limited
Standalone Statement of Profit and Loss for the year ended March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	28	1,46,021	1,37,088
Other income	29	1,698	2,744
Total income		1,47,719	1,39,832
Expenses			
Cost of materials consumed	30	1,00,615	95,987
Changes in inventories of finished goods and work-in-progress	31	(2,762)	(370)
Employee benefits expense	32	19,837	18,363
Finance costs	33	5,332	3,849
Depreciation and amortisation expense	34	4,114	2,549
Other expenses	35	15,652	12,791
Total expenses		1,42,788	1,33,169
Profit before tax		4,931	6,663
Tax expense			
Current tax	36	1,216	1,837
Deferred tax	36	701	(262)
Total income tax expense		1,917	1,575
Profit for the year after tax		3,014	5,088
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Net (loss)/gain on FVTOCI equity securities		(132)	18
Remeasurements of net defined benefit liability		(438)	528
Income tax effect		199	-
		(371)	546
Other comprehensive income for the year, net of tax		(371)	546
Total comprehensive income for the year		2,643	5,634
Earnings per share			
Basic earnings per share (INR)	37	329	556
Diluted earnings per share (INR)	37	329	556
Summary of significant accounting policies	1-3		

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: December 31, 2020

MSKA & ASSOCIATES CHENNAI Chartered Accountants

For and on behalf of the Board of Directors of
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

Javad K. Hassan
Chairman
DIN: 00004483

K. Jehangir
Director
DIN: 00002790

K. Padmanabhan
Company Secretary
Membership No: F6985

Place:Kochi
Date: December 31, 2020

SFO Technologies Private Limited
Standalone Cash Flow Statement for the year ended March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	4,931	6,663
Adjustments for:		
Depreciation and amortisation expense	4,114	2,549
Finance cost	5,332	3,849
Interest income	(1,183)	(1,427)
Dividend income	(7)	(5)
(Gain)/loss on sale of investment	-	(23)
(Gain)/ loss on sale of fixed assets	(2)	1
Unrealised foreign exchange loss [net]	1,866	762
Liabilities/ Provisions no longer required written back	(51)	(13)
Doubtful debts written off	9	101
Re-measurement of actuarial gain / (loss)	(438)	528
Operating loss before working capital changes	14,571	12,985
Changes in working capital		
Increase/(decrease) in trade payables	(1,867)	13,462
Decrease/ (increase) in inventories	(11,871)	(9,968)
Decrease/ (increase) in trade receivables	10,143	(9,239)
(Decrease)/ increase in other current liabilities	394	(1,909)
Decrease in loans	152	469
Increase in provisions	399	84
Decrease/ (increase) in non-current assets	899	(567)
Increase/ (decrease) in other financial liabilities	(574)	551
Increase in other financial assets	(678)	(174)
Increase in other current assets	(1,600)	(35)
Cash generated used in operations	9,968	5,659
Income tax (paid) / refund	(262)	1,510
Net cash flows used in operating activities (A)	9,706	7,169
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(3,668)	(2,978)
Proceeds from sale of property, plant and equipment	15	-
Purchase of investments	-	(260)
Loans to wholly owned subsidiaries	(90)	(1,887)
Maturity/(investment) in fixed deposit	155	(333)
Interest received	1,189	1,092
Dividend received	7	5
Net cash flow from investing activities (B)	(2,392)	(4,361)
Cash flow from financing activities		
Net proceeds / (repayments) on long term borrowings	3,232	(237)
Net decrease in working capital borrowings	(1,215)	(61)
Repayment of lease liabilities	(1,780)	-
Interest paid	(4,701)	(3,868)
Net cash flow from financing activities (C)	(4,464)	(4,166)
Net increase in cash and cash equivalents (A+B+C)	2,850	(1,358)
Cash and cash equivalents at the beginning of the year	1,625	2,978
Exchange difference on translation of foreign currency cash and cash equivalents	22	5
Cash and cash equivalents at the end of the year	4,497	1,625
Cash and cash equivalents comprise		
Balances with banks		
On current accounts	3,476	971
Fixed deposits with maturity of less than 3 months	115	88
Cash on hand	32	6
Restricted cash	918	1,238
Less: Overdrawn current accounts	(42)	(122)
Less: Bank overdraft	(2)	(556)
Total cash and bank balances at end of the year	4,497	1,625

Summary of significant accounting policies 1-3

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: December 31, 2020

MSKA & ASSOCIATES CHENNAI Chartered Accountants

For and on behalf of the Board of Directors of
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

Javad K. Hassan
Chairman
DIN: 00004483

N. Jehangir
Director
DIN: 00002790

K. Padmanabhan
Company Secretary
Membership No: F6985

Place:Kochi
Date: December 31, 2020

SFO Technologies Private Limited
Standalone Statement of Changes in Equity for the year ended March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

(A) Equity share capital

	As at March 31, 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 100 each issued, subscribed and fully paid				
Opening	9,15,589	916	9,15,589	916
Add: Issue during the year	-	-	-	
Closing	9,15,589	916	9,15,589	916

(B) Other equity

	Reserves and Surplus							Items of OCI	Total
	Capital Reserve	Capital Subsidy	Capital Investment Subsidy	Capital Redemption Reserve	Securities Premium	Reserves on Amalgamation	Retained Earnings	FVOCI reserve on equity instruments	
	Note-19	Note-19	Note-19	Note-19	Note-19	Note-19	Note-19	Note-19	
Balance as at April 1, 2018	7,823	249	20	132	1,178	-	15,356	282	25,040
Addition during the year	-	-	-	-	-	21,606	-	-	21,606
Profit for the year	-	-	-	-	-	-	5,088	-	5,088
Other comprehensive income	-	-	-	-	-	-	528	18	546
Balance as at March 31, 2019	7,823	249	20	132	1,178	21,606	20,972	300	52,280

	Reserves and Surplus							Items of OCI	Total
	Capital Reserve	Capital Subsidy	Capital Investment Subsidy	Capital Redemption Reserve	Securities Premium	Reserves on Amalgamation	Retained Earnings	FVOCI reserve on equity instruments	
	Note-19	Note-19	Note-19	Note-19	Note-19	Note-19	Note-19	Note-19	
Balance as at April 1, 2019	7,823	249	20	132	1,178	21,606	20,972	300	52,280
Profit for the year	-	-	-	-	-	-	3,014	-	3,014
Other comprehensive income	-	-	-	-	-	-	(285)	(86)	(371)
Balance as at March 31, 2020	7,823	249	20	132	1,178	21,606	23,701	214	54,923

Summary of significant accounting policies 1-3

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

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: December 31, 2020

MSKA & ASSOCIATES CHENNAI Chartered Accountants

For and on behalf of the Board of Directors of
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

Javad K. Hassan
Chairman
DIN: 00004483

N. Jehangir
Director
DIN: 00002790

K. Padmanabhan
Company Secretary
Membership No: F6985

Place:Kochi
Date: December 31, 2020

SFO Technologies Private Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

1 General Information

SFO Technologies Private Limited is a private limited company domiciled in India and was incorporated on February 8, 1990 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at XIX/346, Stone House, Market Road, Aluva - 683 101. The Company has strong presence in niche technology areas like Digital Electronics, Fiber Optics, Radio Frequency & Wireless, Cable & Wire Harness, Sheet Metal & Plastics and Aerospace Industry. The Company has manufacturing facilities at Cochin and Bangalore and a branch at Japan.
The financial statements comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements")

The standalone Ind AS financial statements of the Company were approved in the meeting of the Board of Directors held on December 3

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable.The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).These financial statements for the year ended March 31, 2020, 2019 and April 1, 2018 are the first set of financial statements prepared in accordance with Ind AS. Refer note 3 for an explanation of how the Company has adopted Ind AS.

Accounting policies have been consistently applied to all the years presented 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.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-
i)Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
ii) Defined Benefit Plan-Plan measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to
sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:
• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the asset or liability.

These financial statements are presented in Indian rupees (Rs.) and all amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.Key source of estimation of uncertainty as at the date of financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of the following:

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(i) Taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions.

(ii) Defined Benefit Plan(Gratuity and Leave Encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. The mortality rate is based on publicly available mortality tables. These mortality tables tend to change only at interval in response to demographic changes.Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 43.

(iii) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. At March 31, 2020, the carrying amount of capitalised intangible asset under development was INR 3,577 lakhs (31 March 2019: INR 3,315 lakhs, 1 April 2018: INR 1,907 lakhs).

(iv) Impairment of Goodwill and Non-Financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

2.2 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

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2.3 Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Company has elected to continue with the carrying value for all of its property, plant and equipment recognized as of April 1, 2018 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Property, plant and equipment are stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Historical cost comprises of the purchase price including duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management. Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gains or losses arising from derecognition are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets as specified in Schedule II are as follows:

Property, plant and equipment	Useful Life
Leasehold improvement*	Lease period
Building	30 years
Plant & Machinery**	15 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Motor Vehicle	8 years
Electrical Installations and Equipment	10 years
Computer Equipment:	
-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

**Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.Therefore, Company assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:
Useful life of Tools and Jigs included in General Plant and Machinery to be 5 years

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.4 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer Note 6 for a description of impairment testing procedures.

Goodwill shall be tested for impairment annually and whenever there is an indication that it might be impaired

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2.5 Other Intangible Assets

Under the previous GAAP (Indian GAAP), Intangible assets were carried in the balance sheet on the basis of historical cost. For the transition to Ind AS, the Company has elected to continue with the carrying value for all of its Intangible assets recognized as of April 1, 2018 (date of transition to Ind AS) measured as per the previous GAAP and use that carrying value as its deemed cost as at the date of transition.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets are amortised on a straight line basis over the estimated useful life of 3 to 4 years

2.6 Impairment of Non-Financial Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.7 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.8 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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2.9 Revenue Recognition

Sale of goods

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

Rendering of services

Service revenue is recognized under 'percentage of completion method'. Under this method, service revenue is recognised in the statement of profit and loss in the accounting period in which the work is performed. Service costs are also recognised as an expense in the Statement of Profit and Loss in the accounting period in which the work to which they relate is performed. However, any expected excess of total service costs over total service revenue is recognised as an expense immediately. Revenues from maintenance contracts are recognised pro-rata over the period of the contract.

Tooling, design and development charges are recognised on acceptance of designs, prototypes etc. by customers.

Other Operating revenue

Export Incentives under various schemes are accounted upon fulfilling the conditions established by respective regulations as applicable to the Company and as amended from time to time.
Income is recognised at the value or rate prescribed by respective regulations.

Other Non-operative income

Interest Income

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest income is included under the head 'other income' in the statement of profit and loss.

Dividend Income

Dividend income on investments is accounted when the right to receive the dividend is established, which is generally when shareholders approve the dividend. Dividend income is included under the head "Other income" in the statement of profit and loss account.

2.10 Taxes

Income tax expense comprise current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, respectively.

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company

2.11 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programmed to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

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2.12 Leases

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings, plant and machinery and vehicles. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use of the identified asset, and

c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option. The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received.

Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below. For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

The Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases. For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the RoU asset arising from the head-lease

2.13 Inventories

Stores and spares, packing materials are valued at or below cost. Raw materials and other inventories are valued at lower of cost and net realizable value. Net realizable value represents the estimated of inventories less all estimated costs of completion and costs necessary to make the sale. The method of determination of cost of various categories of inventories is as follows:

1. Stores and spares and packing materials - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
2. Raw material - First-in-First-out basis. Cost includes purchase cost and other attributable expenses.
3. Finished goods and Work-in-process - First-in-First-out basis, which comprises of direct material costs, direct wages and applicable overheads.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

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2.14 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

2.15 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks, restricted cash and short-term deposits net of bank overdraft.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

a) at amortized cost; or

b) at fair value through other comprehensive income; or

c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

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(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

a) the rights to receive cash flows from the financial asset is transferred or

b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Investments in subsidiaries and associates:

On initial recognition, these investments are recognized at cost as on the date of transition. Investments will be tested for impairment if any.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

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(c) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) Defined benefit plans

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. 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. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

2.18 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the

2.19 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

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2.20 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.21 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Other borrowing costs are recognised as expenditure in the period in which they are incurred. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

3 The Company has applied the following standards and amendments for the first time for their annual reporting period commencing

(a)Ind AS 116- Leases
(b)Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments
(c)Amendment to Ind AS 12 - Income taxes
(d)Amendment to Ind AS 23, Borrowing costs
(e)Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements

The Company has not change its accounting policies as a result of adopting Ind AS 116. This is disclosed in Note 3(b). The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2020, together with the comparative year data as at and for the year ended 31 March 2019, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2018, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019.

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Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

(b) Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32, Financial Instruments: Presentation, retrospectively to split the liability and equity components of the instrument.

(d) Business Combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to business combinations that occurred before the date of transition.

3.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2018 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

(i) Impairment of financial assets based on expected credit loss model.
(ii) Fair valuation of compound instrument.
(iii) FVTPL - debt securities
(iv) FVTOCI - debt securities
(v) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109,Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109,Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Standards issued but not yet effective

(a) Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Error: Refined definition of term 'material'.

(b) Ind AS 103, Business Combinations: Revised definition of a 'business' and introduction of an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification.

(c) Ind AS 109, Financial Instruments: Modification to some specific hedge accounting requirements to provide relief to the potential effects of uncertainty caused by the interest rate benchmark (IBOR) reform.

(d) Ind AS 116, Leases: Practical expedient which permits lessees not to account for COVID-19 related rent concessions as a lease modification. However, with respect to Ind AS 116, in case a lessee has not yet approved the financial statements for issue before the issuance of the amendments, then the same may be applied for annual reporting periods beginning on or after 1 April 2019.

(e) The impact on account of above applicable amendments is insignificant to the financial statements.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020

(Amount in INR lakhs, unless otherwise stated)

4A Property, plant and equipment

	Freehold Land	Building	Plant and Machinery	Furniture and fixtures	Motor Vehicle	Office Equipment	Leasehold Improvements	Computer Equipment	Total
Deemed cost									
As at April 1, 2018	198	4,874	10,942	476	773	369	108	484	18,224
Additions	-	114	1,130	68	88	92	1	136	1,629
Disposals	-	-	(36)	-	(6)	-	-	-	(42)
As at March 31, 2019	198	4,988	12,036	544	855	461	109	620	19,811
Additions	-	71	1,413	49	112	79	-	288	2,012
Disposals	-	-	(13)	-	-	-	-	-	(13)
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	2	-	-	-	-	2
As at March 31, 2020	198	5,059	13,436	595	967	540	109	908	21,812
Accumulated depreciation									
Balance as at April 1, 2018	-	-	-	-	-	-	-	-	-
Charge for the year	-	207	1,531	64	154	114	24	220	2,314
Disposals	-	-	-	-	(2)	-	-	-	(2)
As at March 31, 2019	-	207	1,531	64	152	114	24	220	2,312
Charge for the year	-	210	1,539	67	161	115	24	185	2,301
Disposals	-	-	(2)	-	-	-	-	-	(2)
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	1	-	-	-	-	1
As at March 31, 2020	-	417	3,068	132	313	229	48	405	4,612
Net Block									
As at April 1, 2018	198	4,874	10,942	476	773	369	108	484	18,224
As at March 31, 2019	198	4,781	10,505	480	703	347	85	400	17,499
As at March 31, 2020	198	4,642	10,368	463	654	311	61	503	17,200

Refer Note 3 for exemptions availed by the Company on first time adoption of Ind AS

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5 **Intangible assets**

	Computer Software
Deemed cost	
As at April 1, 2018	497
Additions	127
Disposals	-
As at March 31, 2019	624
Additions	816
Disposals	-
As at March 31, 2020	1,440
Accumulated depreciation	
Balance as at April 1, 2018	-
Charge for the year	277
Disposals	-
As at March 31, 2019	277
Charge for the year	403
Disposals	-
As at March 31, 2020	680
Net Block	
As at April 1, 2018	497
As at March 31, 2019	347
As at March 31, 2020	760

Refer Note 3 for exemptions availed by the Company on first time adoption of Ind AS

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4B **The details of the right-of-use asset held by the Company is as follows:**

	Amount
Gross carrying value	
As at April 1, 2019	-
Effect of transition to Ind AS 116	5,905
Additions during the year	72
Disposals during the year	-
As at March 31, 2020	**5,977**
Accumulated depreciation	
As at April 1, 2019	-
Charge for the year	1,422
Disposals	-
As at March 31, 2020	**1,422**
Net block	
As at March 31, 2020	**4,555**

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Lease liabilities as at April 1, 2019	5,905
Additions	69
Interest on lease liabilities	669
Payments	(1,780)
As at March 31, 2020	**4,863**
Current	1,228
Non-current	3,635

The maturity analysis of lease liabilities are given as below:	March 31, 2020
Within one year	1,229
After one year but not more than five years	2,805
More than five years	829

	Year ended March 31, 2020
Depreciation expense of right-of-use assets	1,422
Interest expense on lease liabilities	669
Expense relating to short-term leases (included in other expenses)	79
Total amount recognised in statement profit or loss	**2,170**

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6 Goodwill

The Company tests whether goodwill on business purchase has suffered any impairment on an annual basis as at year end. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used is mentioned below:

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Growth rate	40%	40%	40%
Operating margins	5.77%	5.77%	5.77%
Discount rate (Pre-tax)	12.5%	12.5%	12.5%

As at March 31, 2020, the Company assessed the carrying value of its goodwill along with the carrying value of related CGUs, based on future operational plan and projected cash flows. There is no impairment noted based on the assessment performed by the management. Management has also performed sensitivity analysis around the significant assumptions used and concluded that no reasonable possible changes in key assumptions would cause the recoverable amount of the CGU lower than the carrying amount of CGU.

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

7 Financial assets - investments

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investment in equity instruments (fully paid-up)			
Quoted equity shares designated at fair value through other comprehensive income			
696 (As at March 31, 2019: 696) (April 1, 2018: 696) shares of ₹10 each, fully paid-up, in Indian Bank	-	1	1
330 (As at March 31, 2019: 330) (April 1, 2018: 330) shares of ₹10 each, fully paid-up, in State Bank of India (consequent to merger of State Bank of Travancore to State Bank of India where 22 shares of State Bank of India were offered for every 10 shares held in State Bank of Travancore)	1	1	1
8,865 (As at March 31, 2019: 8,865) (April 1, 2018: 8,865) shares of ₹2 each fully paid-up, in HDFC Bank Limited	76	206	167
Sub total aggregate quoted investments at FVOCI	77	208	169
Unquoted equity shares at cost			
Investments in subsidiaries			
1,500 (As at March 31, 2019: 1,500) (April 1, 2018: 1,500) shares of USD 1 each, fully paid-up, in SFO Technologies Corporation, USA.	33	33	33
21,50,000 (As at March 31, 2019: 21,50,000) (April 1, 2018: 21,50,000) shares of ₹100 each, fully paid-up, in Nest Hi-Tek Park Private Ltd.	2,150	2,150	2,150
1,340 (As at March 31, 2019: 1,340) (April 1, 2018: 1,340) shares of ₹100 each, fully paid-up, in Nest Information Technologies Private Limited.	1,200	1,200	1,200
2,50,000 (As at March 31, 2019: 2,50,000) (April 1, 2018: 2,50,000) shares of ₹100 each, fully paid-up, in Ray-hans Precision Tools Private Limited.	325	325	325
33,255 (As at March 31, 2019 - 33,255) (April 1, 2018: 33,255) shares of ₹100 each, fully paid up, in ICAM Solutions Private Limited	725	725	463
Sub total unquoted investments at cost	4,433	4,433	4,171
Unquoted equity shares designated at fair value through other comprehensive income			
500,000 (As at March 31, 2019: 500,000) (As at April 1, 2018: 500,000) shares of ₹10 each, fully paid-up, in Lakeshore Hospital and Research Centre Ltd. (Acquired through merger of Subsidiary)	141	138	137
Sub total unquoted investments at FVTOCI	141	138	137
Unquoted Investment carried at amortised cost			
Investment in unsecured loan of subsidiaries	3,447	3,138	2,820
Total Non-current investments	8,098	7,917	7,297

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7 Financial assets - investments (Continued..)

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Investments in Mutual Funds (Quoted) (Refer footnote i)	48	53	53
Investments at fair value through OCI (fully paid)	218	346	306
Investment at cost	4,433	4,433	4,171
Investment in unsecured loan of subsidiaries	3,447	3,138	2,820
	8,146	**7,970**	**7,350**
Current	48	53	53
Non-current	8,098	7,917	7,297
	8,146	**7,970**	**7,350**
Aggregate book value of:			
Quoted investments	6	6	6
Unquoted investments	4,483	4,483	4,221
Aggregate market value of:			
Quoted investments	77	208	169
Unquoted investments	4,574	4,571	4,308

Footnotes:

i. Details of investments in Mutual Funds (Quoted) designated at FVTOCI:

Particulars	Face Value per unit	Number of units			Amount		
		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Birla Sun Life Midcap Fund - Growth Plan	100	-	-	10,555	-	-	34
ICICI Prudential Infrastructure Fund - Growth Plan	10	34,941	34,941	34,941	11	18	19
Aditya Birla Sun Life Low Duration Fund-Growth Plan	10	7,688	7,688	-	37	35	-
		42,629	**42,629**	**45,496**	**48**	**53**	**53**

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Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(Amount in INR Lakhs, unless otherwise stated)

		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
8	**Non- current financial assets - Loans (at amortised cost)**			
	Unsecured, considered good			
	Loans to related parties	5,084	5,301	3,733
	Loan to director	2,249	2,454	2,896
		7,333	7,755	6,629

Terms of loan

(i) Loan to related parties includes loans given to wholly owned subsidiaries which have been granted on interest free terms repayable within March 31, 2023.

(i) Vide the approval of the Shareholders of the Company vide Extra Ordinary General Meeting dated February 24, 2018, pursuant to the provisions of Section 185(1)(a)(i) and Section 185(1)(a)(ii) of the Companies Act, 2013, A Loan Scheme was approved to be given to the Managing Director of the Company. The loan carried an interest rate of 9.35% per annum and is repayable within February 28, 2023.

		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
9	**Other financial assets (at amortised cost)**			
	Unsecured, considered good			
	In Fixed deposit accounts with maturity for more than 12 months from balance sheet date.	48	21	21
	Security Deposit	872	2,092	1,817
		920	2,113	1,838

		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
10	**Other non-current assets**			
	Unsecured, considered good			
	Capital advance*	605	1,061	593
	Prepaid rent	223	422	314
	Prepaid Gratuity	-	243	252
	Total other non-current other assets	828	1,726	1,159

* Value of contracts in capital account remaining to be executed as at March 31, 2020 [NIL] (March 31, 2019: [NIL], April 1, 2018: [Rs.262.05 lakhs])

		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
11	**Inventories**			
	Raw materials	28,984	23,955	15,935
	Raw materials in transit	9,189	4,779	3,196
	Work-in-progress	6,360	5,702	4,955
	Finished goods (At lower of cost and net realizable value)	3,658	1,554	1,931
	Store and spares parts including packing material	446	776	781
		48,637	36,766	26,798

		As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
12	**Trade receivable**			
	Unsecured			
	-Considered good	27,652	36,753	27,604
	Less-Allowance for bad and doubtful debts	-	-	-
		27,652	36,753	27,604
	Further classified as:			
	Receivable from related parties (Refer Note 44)	4,631	6,650	4,227
	Receivable from others	23,021	30,103	23,377
		27,652	36,753	27,604

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

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13 Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balances with banks:			
On current accounts	3,476	971	1,117
Fixed deposits with maturity of less than 3 months	115	88	383
Restricted cash	918	1,238	1,473
Cash on hand	32	6	5
	4,541	2,303	2,978

Cash balances with bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

The Company has restricted cash consisting of margin money on letter of credit and bank guarantees

14 Bank balances other than cash and cash equivalents	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
In fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	224	380	47
	224	380	47

15 Other financial assets (at amortised cost)	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Unsecured, considered good			
Contract assets	1,417	944	1,054
Accrued interest on fixed deposits	8	14	19
Security deposit	1,408	9	-
	2,833	967	1,073

16 Current tax assets	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance income tax (Net of provision [Nil], March 31, 2019 [Nil], April 1, 2018 [19,672.20 lakhs])	-	-	2,441
	-	-	2,441

17 Other current assets	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Advance to supplier	4,689	3,161	3,734
Advances to employees	130	154	164
Balance with Government Authority	3,294	4,104	4,535
Prepaid expenses	218	105	70
MEIS incentive receivable	2,930	2,506	1,295
Script for customs	526	-	1
Prepaid rent	53	-	162
Total	11,840	10,030	9,961

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18 Share capital

Equity share capital

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Authorized shares:			
32,50,000 (March 31, 2019 - 32,50,000), (April 1, 2018 - 32,50,000) Ordinary equity shares of ₹100/- each	3,520	3,520	3,520
1000 (March 31, 2019 - 1000), (April 1, 2018 - 1000) Series A equity shares of ₹100/- each	1	1	1
	3,521	3,521	3,521
Issued, subscribed and paid up shares:			
9,15,589 (March 31, 2019 - 9,15,589), (April 1, 2018 - 9,15,589) equity shares of ₹100/- each	916	916	916
Total	916	916	916

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the year	9,15,589	916	9,15,589	916
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	9,15,589	916	9,15,589	916

(b) Rights, preferences and restrictions attached to shares

The Company had issued two classes of equity shares, viz., Ordinary equity share and Series A equity share, both having face value of ₹ 100 per share. The holder of Ordinary equity share is entitled to one vote per share. The holder of Series A equity share is entitled to voting rights equivalent to such percentage of the total voting capital of the Company as is represented by the Compulsorily Convertible Debentures in the fully diluted share capital of the Company. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors has to be approved by the shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of Ordinary and Series A equity shares will be entitled to receive remaining assets of the Company, after settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Ordinary equity shares of ₹ 100 each fully paid						
Javad K. Hassan	4,65,950	51	4,65,950	51	4,65,950	51
N. Jehangir	2,50,141	27	2,50,141	27	2,50,141	27
Nishi Jehangir	1,39,860	15	1,39,860	15	1,39,860	15
Althaaf Jehangir	58,498	6	58,498	6	58,498	6

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Class of shares bought back by the Company during the period of five years immediately preceding the current year end.

Particulars	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Ordinary equity shares of ₹ 100 each fully paid					
Shares bought back	-	-	-	65,013	-

Consequent to the approval of the Board of Directors vide meeting dated 24 August, 2016, the company offered for buy back of equity shares from its shareholders. On closure of buy back 65,013 equity shares were bought back by the Company at the offer price of Rs.10,082.58 per share.

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19 Other equity

A. Capital Reserve

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening Balance	7,823	7,823	-
Add:Addition during the year	-	-	-
Closing balance	7,823	7,823	7,823

B. Capital Subsidy

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening Balance	249	249	-
Add: Addition during the year	-	-	-
Closing balance	249	249	249

C. Capital Investment Subsidy

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening Balance	20	20	-
Add:Addition during the year	-	-	-
Closing balance	20	20	20

D. Capital Redemption Reserve

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	132	132	-
Add:Addition during the year	-	-	-
Closing balance	132	132	132

E. Securities Premium

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening Balance	1,178	1,178	-
Add:Addition during the year	-	-	-
Closing balance	1,178	1,178	1,178

E. Reserves on Amalgamation

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening Balance	21,606	21,606	-
Add:Addition during the year	-	-	21,606
Closing balance	21,606	21,606	21,606

F. Surplus/(deficit) in the Statement of Profit and Loss

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	20,972	15,356	-
Add:Profit for the year	3,014	5,088	-
Less: Re-measurement (gain)/loss on post employment benefit obligation (net of tax)	(285)	528	-
Closing balance	23,701	20,972	15,356

G. Investments FVTOCI Reserve on equity instruments

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Opening balance	300	282	
-Fair valuation changes for the year (net of tax affect)##	(86)	18	-
Closing balance	214	300	282
Total other equity(A+B+C+D+E+F+G+H)	54,923	52,280	46,646

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20 Non-current borrowings	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured			
Term loan*			
From bank			
INR bank loan	3,145	3,504	3,741
	3,145	3,504	3,741
Less: Amount disclosed under the head "Other financial liabilities" (Refer note 25)	(800)	(839)	(368)
Total non current maturities of long term borrowings	2,345	2,665	3,373

Terms of repayment

* Includes Indian Rupee loans of Rs. 1,982.65 lakhs (March 31, 2019: Rs.557 lakhs; April 01, 2018: Rs.404 lakhs) borrowed from banks carrying interest in the range of 10.37% - 13.01% p.a (March 31, 2019: 9.4% - 14% p.a; April 01, 2018: 9.4% - 11.5% p.a). Vehicle loans are repayable in monthly instalments, each ranging from Rs. 0.02 lakhs to Rs. 2.91 lakhs (March 31, 2019: Rs 0.06 lakhs to 4.02 lakhs; April 01, 2018: Rs. 0.06 lakhs to Rs. 4.02 lakhs) along with interest. The loans are secured by hypothecation of the vehicles financed. The term loans availed other than for vehicle loans are repayable in quarterly installments

21 Other financial liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Security deposit	-	4	54
	-	4	54

22 Employee benefit obligations

	Long term			Short term		
	March 31, 2020	March 31, 2019	April 1, 2018	March 31, 2020	March 31, 2019	April 1, 2018
Provision for employee benefits (Refer note 43)						
Provision for gratuity (funded)	194	-	-	-	-	-
Provision for leave encashment (unfunded)	1,092	885	872	23	64	62
Total employee benefit obligations	1,286	885	872	23	64	62

23 Short -term borrowings	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Secured, from bank, term loan			
Working Capital Loans-INR	15,779	14,435	14,632
Working Capital Loans-USD	13,603	11,273	10,208
Bank overdraft	2	556	-
Total short-term borrowings	29,384	26,264	24,840

Terms and conditions of loans

(i) The Company has availed working capital and Packing Credit Facilities from banks which are secured by hypothecation by way of pari passu first charge on all current assets of the Company, both present and future, including stock of goods, book debts and all other movable assets including document of title to goods, and second pari passu charge on all fixed assets of the Company, including immovable properties. The same is also secured by the personal guarantee of the Managing Director. The loans are repayable on demand. The interest rates on the said loan varies from 5.90 % to 11.85 % p.a

(ii) The Company also availed the domestic factoring with recourse which is secured by hypothecation over the receivables from the customer 'Tejas Networks Limited'. The same is also secured by the personal guarantee of the Managing Director. Interest rate is 9.85% per annum.

(iii) The Loan availed also includes a working capital demand loan availed from ICICI Bank Limited Secured by hypothecation by way of exclusive charge on the current assets of the project related to manufacturing of secure link Fiber Intrusion Proof System, both present and future and third parri passu charge on all movable fixed assets of the company (excluding vehicle). The same is also secured by the personal guarantee of the Managing Director. The interest rate on the said loan is 9.85 % per annum.

24 Trade payables	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Total outstanding dues of micro enterprises and small enterprises	3,142	1,377	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	38,828	40,744	28,660
Total trade payables	41,970	42,121	28,660

25 Other financial liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Other financial liabilities			
Current maturity of long term loans	800	839	368
Other payable	92	133	88
Payable to employees	1,658	1,646	1,443
Provision for factoring recourse	-	1	1
Interest accrued but not due on borrowings	85	84	34
Liabilities for capital goods	185	725	372
Total other financial liabilities	2,820	3,428	2,306

26 Other current liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Statutory due payable	257	267	331
Advance from customer	1,377	937	2,674
Book overdraft in current account with banks	42	122	99
Total other current liabilities	1,676	1,326	3,104

27 Current tax liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Current tax payable (net of Advance tax [Nil], March 31, 2019 [Rs. 22,492.67 lakhs], April 1, 2018 [Nil])	1,321	567	-
Total current tax liabilities	1,321	567	-

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SFO Technologies Private Limited
Notes forming part of the Standalone Financial Statements for the year ended March 31, 2020
(Amount in INR lakhs, unless otherwise stated)

28 Revenue from operations	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from contracts with customers		
Sale of goods	1,35,945	1,28,996
Sale of services	2,998	2,196
Other operating revenue	7,078	5,896
Total revenue from operations	1,46,021	1,37,088
Disaggregated revenue information		
Sale of products		
Manufactured Goods		
Electronic, radio frequency & sheet metal products	1,18,647	1,12,722
Fibre optic products	7,962	7,814
Wire harness and cable assemblies	9,336	8,460
	1,35,945	1,28,996
Sale of services		
Software maintenance and development services	2,998	2,196
	2,998	2,196

29 Other income	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Dividend income	7	5
Interest income		
- on fixed deposits designated as amortized cost	102	106
- on loan to director	138	234
- on others	690	561
- on income taxes	-	339
Other non operating income	455	1,277
Income from sale of investments (mutual funds)	-	23
Interest income on security deposits	253	186
Gain on sale / disposal of property, plant and equipment	2	-
Liabilities written back	51	13
Total other income	1,698	2,744

30 Cost of materials consumed	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Inventory at the beginning of the year	29,510	19,912
Add: Purchases , freight inward and other charges	1,09,724	1,05,585
Less: Inventory at the end of the year	(38,619)	(29,510)
Total cost of raw materials consumed	1,00,615	95,987

31 Changes in inventories of finished goods and work-in-progress	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Inventories at the beginning of the year		
Finished goods	1,554	1,931
Work-in-progress	5,702	4,955
	7,256	6,886
Less: Inventories at the end of the year		
Finished goods	3,658	1,554
Work-in-progress	6,360	5,702
	10,018	7,256
Net increase	(2,762)	(370)

32 Employee benefits expense	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, wages, bonus and other allowances	18,641	17,269
Contribution to provident fund and ESI	652	567
Gratuity expenses (Refer note 43)	116	139
Staff welfare expenses	428	388
Total employee benefits expense	19,837	18,363

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33 Finance costs	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest on borrowing	3,637	3,262
Interest on delay in payment to MSME Units	9	16
Net interest on remeasurement of defined benefit obligations	40	69
Other borrowing cost	269	64
Interest expense on lease liabilities	669	-
Loss on foreign currency transactions and translation considered as finance cost (net)	708	438
Total finance costs	**5,332**	**3,849**

34 Depreciation and amortisation expense	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation of property, plant and equipment	2,301	2,314
Amortisation of intangibles	403	277
Amortisation of right of use assets	1,422	-
Less: Amortisation on intangible assets capitalised	(12)	(42)
Total depreciation and amortisation expense	**4,114**	**2,549**

35 Other expenses	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Consumption of stores and spares	2,683	2,140
Consumption of packing materials	308	202
Power and fuel	1,528	1,383
Freight charges	1,215	1,314
Tooling, design & development charges	1,089	545
Rates and taxes	120	503
Lease rent	142	1,358
Rent	178	195
Bad trade and other receivables, loans and advances written off	9	101
Bank charges	389	376
Donation	20	3
Repairs and maintenance -		
Building	158	182
Plant and machinery	454	474
Others	494	440
Engineering support charges	70	21
CSR Expense**	36	36
Insurance charges	122	96
Travel and conveyance	899	888
Discount	20	37
Business promotion	376	228
Printing & stationery	47	60
Communication, broadband and internet expenses	160	146
Legal and professional charges*	2,122	835
Software licenses written-off	505	354
Loss on sale/disposal of fixed assets	-	1
Foreign exchange fluctuation (net)	1,418	13
Miscellaneous expenses	1,090	860
Total other expenses	**15,652**	**12,791**

*Note : Legal and professional charges includes auditors remuneration:

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
As auditor:		
Statutory audit	14	12
Total	**14**	**12**

****Details of expenses on corporate social responsibility activities**

a. Gross amount required to be spent by the Company during the year Rs. 97.59 lakhs (Rs. 35.97 lakhs) towards CSR compliance as per Companies Act.

b. Amount spent during the financial year:

Activity	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Measures for reducing inequalities faced by socially and economically backward groups	36	36

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36 Deferred tax liability

(A) Deferred tax relates to the following:

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Deferred tax assets		
On amortisation of security deposits	106	-
On amortisation of lease liability	1,699	-
On remeasurement of defined benefit obligation	381	299
	2,186	299
Deferred tax liabilities		
On property, plant and equipment	1,398	1,396
On Right of Use assets	1,592	-
On Goodwill	726	-
On Other Intangible Assets	265	-
On accrued Interest	3	-
	3,984	1,396
Deferred tax expense / (income)	701	(262)
Add: Opening Deferred tax liability	1,097	1,359
Less: Deferred tax asset not recognized	-	-
Deferred tax Liability	1,798	1,097

In absence of reasonable certainty of taxable income in future years, during the year ended March 31, 2019, the Company has created deferred tax asset on unabsorbed depreciation and other items to the extent of deferred tax liability. During the year ended March 31, 2018, the Company had recognized deferred tax asset to the extent of deferred tax liability only.

(B) Recognition of deferred tax asset to the extent of deferred tax liability

Balance sheet	As on March 31, 2020	As on March 31, 2019	As on April 1, 2018
Deferred tax asset	-	-	-
Deferred tax liabilities	(1,798)	(1,097)	(1,359)
Deferred tax assets/ (liabilities), net	(1,798)	(1,097)	(1,359)

(C) Reconciliation of deferred tax assets/ (liabilities) (net):

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Opening balance as of April 1	(1,097)	(1,359)
Tax liability recognized in Statement of Profit and Loss	(701)	262
Closing balance as at March 31	(1,798)	(1,097)
(D) Deferred tax income / (expense) to be recognized in Statement of Profit and Loss	(701)	262

(E) Income tax expense	For the Year ended March 31, 2020	For the Year ended March 31, 2019
- Current tax charge	1,017	1,837
- Deferred tax charge / (income)	701	(262)
Income tax expense reported in the statement of profit or loss	1,718	1,575

(F) Income tax expense charged to OCI	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Unrealised gain on FVTOCI equity securities	(46)	-
Net gain on remeasurements of defined benefit plans	(153)	-
Income tax charged to OCI	(199)	-

(G) Reconciliation of tax charge	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Profit before tax	4,931	6,663
Income tax expense at tax rates applicable	1,723	2,328
Tax effects of:		
- Tax Effect on Non Deductible Expenses	768	(431)
- Tax Effect on Weighted Deduction for Research and Development	(522)	(322)
- Tax Effect on Exemption u/s 10AA of the Income Tax Act	(52)	-
- Others	(199)	-
Income tax expense	1,718	1,575

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37 Earnings per share

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

	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Net profit for calculation of basic/diluted EPS	3,014	5,088
Weighted average number of equity shares in calculating basic/diluted EPS	9,15,589	9,15,589
Basic Earning per share (INR) (Face value ₹100 per share)	329	556
Diluted Earning per share (INR) (Face value ₹100 per share)	329	556

38 Segment Reporting

The Company's operations predominantly relates to one business segment, viz, Manufacture of Electronic Goods and Services . Accordingly, no further disclosures, other than those already included in the standalone Ind AS financial statements, are required. The information about geographical areas is as below:

	For the Year ended March 31, 2020 Amount (INR)	For the Year ended March 31, 2019 Amount (INR)
(A) Revenue from operations*		
India	69,786	65,914
United States of America	42,808	37,419
Europe	19,336	22,424
Middle East	4,142	339
Others	9,949	10,992
	1,46,021	1,37,088

	For the Year ended March 31, 2020 Amount (INR)	For the Year ended March 31, 2019 Amount (INR)
(B) Capital Expenditure		
India	2,225	1,389
United States of America	478	26
Europe	9	32
Others	114	311
	2,826	1,758

	For the Year ended March 31, 2020 Amount (INR)	For the Year ended March 31, 2019 Amount (INR)
(C) Non-current asset**		
India	30,403	25,668
Outside India	796	912

*Revenue by geographical area are based on the geographical location of the customer
**Non-current assets excludes financial instruments and tax assets.

39 Commitments

(a) Consideration payable to the erstwhile equity shareholders of ICAM Solutions Private Limited, wholly owned subsidiary of the Company in terms of the contractual obligation due to be paid within 1 year from the end of the date of transfer of shares. The acquisition of shares of ICAM Solutions Private Limited was done on 22nd September 2017 and accordingly, the Company is due to pay the second and final tranche consideration in September 2018 amounting to NIL on March 31, 2020, (March 31, 2019 - Nil, April 1, 2018- INR 262.05 lakhs.)

40 Contingent Liabilities	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Guarantees			
(i) Corporate Guarantee issued to secure the term loan sanctioned by M/s Tata Capital Financial Services Private Limited to ICAM Solutions Private Limited, a wholly owned subsidiary of the Company.	870	1,200	1,200
(b) Claims against the Company not acknowledged as debts*			
(i) Service tax demands pending in appeals (including interest of as on March 31, 2020 ₹645.15 Lakhs and excluding penalty of Rs. 348.10 Lakhs)	1,697	1,941	1,941
(ii) VAT Demands, pending in appeals.	183	356	174

-Service Tax demand paid under Protest as on March 31, 2020 is Rs. 1,696.86 lakhs (March 31, 2019- Rs.1,803.99 lakhs, April 1, 2018- Rs. 1,803.99 lakhs.)
-VAT demand paid under Protest as on March 31, 2020 is Rs. 40.88 lakhs (March 31, 2018 - Rs. 72.59 lakhs, April 1, 2018 - Rs. 22.64 lakhs.)

*Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums / authorities.
*The management is confident of obtaining favourable order for the above mentioned litigations. Accordingly, no provision has been accounted and has been disclosed as contingent liability.

41 The expenses for the year includes research and development cost of Rs. 2,770.97 lakhs (March 31, 2019 - Rs. 1,843.11 lakhs) (March 31, 2018 - Rs. 1,644.56 lakhs)

42 Leases

Operating leases

(i) Non-cancellable operating leases

The Company has entered into operating lease arrangements for the premises situated in Cochin Special Economic Zone and leasing out machinery from Tata Capital Financial Services Limited and Siemens Financial Services. The leases are non-cancellable and renewable after the primary lease period based on mutual agreement between the parties. The details of the lease arrangement are as follows:

Future minimum lease payments:

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Not later than one year	-	1,198	1,043
Later than one year and not later than five years	-	3,760	3,700
Later than five years	-	1,994	2,610
Total	-	6,952	7,353
Rental expense relating to operating leases	-	1,552	1,038

Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at March 31, 2020 see Note 4B

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43 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

	As at March 31, 2020	As at March 31, 2019
Employers' Contribution to Provident Fund and Employee State Insurance (Refer note 32)	652	567

(B) Defined benefit plans

a) Gratuity payable to employees, which is funded wth Life Insurance Corporation of India

b) Long Term Compensated Absence

Actuarial assumptions

i)	As at March 31, 2020	As at March 31, 2019
Discount rate (per annum)	6.40%	8.00%
Rate of increase in Salary	5.00%	5.00%
Expected average remaining working lives of employees (years)	Indian Assured Lives Mortality [2006-08]	Indian Assured Lives Mortality [2006-08]
Attrition rate	10.00%	10.00%

ii) Changes in the present value of defined benefit obligation

	Employee's gratuity fund	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Present value of obligation at the beginning of the year	(243)	(252)
Interest cost	(20)	(14)
Current service cost	116	139
Benefits paid	-	(140)
Actuarial (gain)/ loss on obligations	341	24
Present value of obligation at the end of the year*	194	(243)

*Included in provision for employee benefits (Refer note 10 & Note 22)

iii) Expense recognized in the Statement of Profit and Loss

	Employee's gratuity fund	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Current service cost	116	139
Interest cost	(20)	(14)
Actuarial (gain) / loss on obligations	341	24
Total expenses recognized in the Statement Profit and Loss*	437	149

*Included in Employee benefits expense (Refer Note 32) and Finance cost (Refer Note 33). Actuarial loss of Rs. 340.62 lakhs (March 31, 2018: Rs. 24.14 Lakhs) is included in other comprehensive income.

iv) Assets and liabilities recognized in the Balance Sheet:

	Employee's gratuity fund	
	As at March 31, 2020	As at March 31, 2019
Present value of funded obligation as at the end of the year	194	(243)
Unrecognized actuarial (gains)/losses	-	-
Unfunded net asset / (liability) recognized in Balance Sheet*	194	(243)

*Included in provision for employee benefits (Refer note 10 & note 22)

v) Expected contribution to the fund in the next year

	As at March 31, 2020	As at March 31, 2019
Gratuity	331	255

vi) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

	Employee's gratuity fund	
Impact on defined benefit obligation	As at March 31, 2020	As at March 31, 2019
Discount rate		
0.5% increase	(51)	(36)
0.5% decrease	54	38
Rate of increase in salary		
0.5% increase	54	39
0.5% decrease	52	(37)

vii) Maturity profile of defined benefit obligation

	Employee's gratuity fund	
Year	As at March 31, 2020	As at March 31, 2019
Apr 2019- Mar 2020	-	255
Apr 2020- Mar 2021	331	203
Apr 2021- Mar 2022	227	208
Apr 2022- Mar 2023	250	232
Apr 2023 onwards	2,312	1,570

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44 **Related Party Disclosures**

A Details of related parties (As identified by Management and relied upon by Auditors):

Wholly owned subsidiaries:	Nest Hi-Tek Park Private Limited SFO Technologies Corp USA Nest Information Technologies Private Limited Ray-Hans Precision Tools Private Limited ICAM Solutions Private Limited
Enterprises under the direct / indirect control of the Company:	Nest Information Technologies (LLC), Dubai Nest Information Technologies (Aus), Australia
Person controlling the Company:	Mr. Javad K. Hassan
Key Management Personnel - Managing Director:	Mr. N. Jehangir
Enterprises under the control of the Person controlling the Company:	Nest Technologies Corporation, USA Nestrides, Japan JKH Associates LLC, USA SFO Tech Inc. USA (Subsidiary of the company till 30.03.2020) Qual-Pro Corporation (Enterprise under indirect control of company till 30.03.2020) E Cell Technologies, USA NTC Softech India Private Limited Javad K Hassan Consultancy Private Limited Javad K Hassan Associates Fz Co. JAVAD K HASSAN ASSOCIATES LLC Saba Powderdex Private Limited Parnitha Holdings ECell Healthcare Private Limited Allied Network Solutions India Private Limited
Enterprises under the control of Managing Director:	NeST Technology Enabled Services Private Limited NeST Infra Soft Limited Nest Realties India Private Limited NJ Business Corporation NeST Foods & Beverages Corporation Nenmany Agro Mills Private Limited NeST Research & Development Centre (Registered Society) Naz Rice and Foods Private Limited Q Life Consumer Products Private Limited Royal Malabar Foods Private Limited NeST Agro Foods (Proprietorship) N J Enterprises (Proprietorship) Nest Institute of Fibre Optics Technologies Private Limited SFO Technologies Solutions Private Limited Nest Conectivity Corporation Nest Connectivity Solutions Private Limited Nest Connectivity Solutions Pte Limited SFO Technologies Pte, Singapore Ray-Hans Cables and Magnetics Private Limited Ray-hans Technologies Private Limited Ray-Hans Luminaries Private Limited Photon Data Links Private Limited Green House Cardamom Marketing India Private Limited NEID Engineering & Infrastructure Development Private Limited
Relatives of Key Management Personnel:	Mrs. Nishi Jehangir, Wife of Mr. N. Jehangir Mrs. Nazneen Jehangir, Daughter of N. Jehangir Mr. Althaaf Jehangir, Son of Mr. N. Jehangir

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	As at March 31, 2020	As at March 31, 2019
(i) Subsidiaries		
Purchase of goods/services	1,115	527
Sale of goods/services	81	852
Loans given	768	1,812
Loans repaid	1,634	1,222
Purchase of investments during the year	-	262
(ii) Enterprises under the control of the Person controlling the Company		
Purchase of goods/services	136	7,649
Sale of goods/services	1,012	12,064
(iii) Key Management Personnel - Managing Director		
Loans given	2,979	4,053
Loans repaid	3,349	4,138
Remuneration paid	600	600
(iv) Enterprises under the control of Managing Director		
Purchase of goods/services	635	489
Sale of goods/services	3,564	1,173
(v) Relative of Key Management Personnel		
Purchase of goods/services	6	6
Remuneration paid	-	30

(C) Amount due to/from related party as on:

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(i) Subsidiaries			
Trade receivables	1,272	612	65
Loans and advances	6,531	7,396	6,549
Trade payables	190	379	52
Advance to Supplier	49	64	-

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(ii) Enterprises under the control of the Company			
Trade payables	-	1	-
(iii) Enterprises under the control of the Person controlling the Company			
Trade receivables	176	3,404	1,764
Loans and advances	-	480	453
Trade payables	41	1,506	823
Advance to Supplier	-	4	3
(iv) Key Management Personnel - Managing Director			
Loans and advances	2,247	2,454	2,896
(v) Enterprises under the control of Managing Director			
Trade receivables	3,183	2,634	2,398
Trade payables	1,254	1,323	1,278
Advance to Supplier	40	1	-
(vi) Relative of Key Management Personnel			
Advance to Supplier	17	17	2

Terms and conditions of transactions with related parties

Loans and Advances by the company to its subsidiaries are repayable on or before March 31, 2023. All transactions with related parties have been carried out on arms length basis.

45 Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year			
- Principal amount due to micro and small enterprises	3,133	1,361	-
- Interest due	9	16	-
	3,142	1,377	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year (current year charge)	9	16	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-	-

The information given above is to the extent such parties have been identified by the Company on the basis of information disclosed by the suppliers.

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46 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables ,investments trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current financial assets			
Investments	8,098	7,917	7,297
Loans	7,333	7,755	6,629
Current Financial Assets			
Investments	48	53	53
Trade receivables	27,652	36,753	27,604
Cash and cash equivalents	4,541	2,303	2,978
Bank balances other than cash and cash equivalent	224	380	47
Other financial assets	2,833	967	1,073
Non-current financial liabilities			
Borrowings	2,345	2,665	3,373
Lease liabilities	3,635	-	-
Other financial liabilities	-	4	54
Current financial liabilities			
Borrowings	29,384	26,264	24,840
Lease liabilities	1,228	-	-
Trade payables	41,970	42,120	28,660
Other financial liabilities	2,820	3,428	2,306

47 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Fair value measurement hierarchy of assets

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
(a) Financial assets measured at FVTOCI			
Level 1 (Quoted price in active markets)			
Investments in mutual funds at FVTOCI	48	53	53
Investments in equity instruments FVTOCI	77	207	169
Level 3			
Trade receivables	27,652	36,753	27,604
Loans	7,333	7,755	6,629
Cash and cash equivalents	4,541	2,303	2,978
Security Deposits	872	2,092	1,817

Fair value measurement hierarchy for liabilities:

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Level 3			
Borrowings (non-current)	2,345	2,665	3,373
Borrowings (current)	29,384	26,264	24,840
Current maturity of long term loans	800	839	368
Trade payables	41,970	42,120	28,660
Other Payables	92	133	88

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings, liability component of convertible preference shares and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

48 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that are derived directly from its operations. The Company's financial risk management is an integral part of how to plan and execute its business strategies.The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) 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 exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	For the Year ended March 31, 2020		For the Year ended March 31, 2019		April 01, 2018	
	% increase	% decrease	% increase	% decrease	% increase	% decrease
Impact on profit/(loss) before tax	(324)	324	(295)	295	(282)	282

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(ii) Foreign currency risk

Foreign 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foregin currency payable, receivable and advances.The Company does not have foreign currency hedge in respect of its foreign currency EEFC balance as on March 31, 2020 Rs. 178.10 lakhs (March 31, 2019- Rs. 297.66 lakhs), (April 1, 2018 - Rs. 230.87 lakhs), Receivable Rs. 18,351.74 lakhs as on March 31, 2020 (March 31, 2019- Rs. 22,324.65 lakhs), (April 1, 2018 - Rs. 19,371.23 lakhs), Advances to supplier Rs 3,549.64 lakhs March 31, 2020 (March 31, 2019- Rs. 2044.36 lakhs) (April 1, 2018 - Rs. 2,726.51), Loans Rs. 533.26 lakhs as on March 31, 2020 (March -2019- Rs. 12,252.02 lakhs), (April 1, 2018 - 12,935.39 lakhs), Advances to Related Party Rs. 533.26 as on March 31, 2020 (March 31, 2019 - Rs. 480.48 lakhs), (April 1, 2018 - Rs. 453.18 lakhs), Payables Rs. 24,903.29 lakhs as on March 31, 2020 (March 31, 2019 Rs. 27,528.52 lakhs), (April 1, 2018 - Rs. 19,522.59 lakhs), Capital Advances Rs. 54.67 lakhs as on March 31, 2020 (March 31, 2019- Rs.412.86 lakhs) (April 1, 2018 - Rs. 13.76 lakhs), Advances from Customer Rs. 476.01 lakhs as on March 31, 2020 (March 31, 2019- Rs. 418.45 lakhs) (April 1, 2018 - 2,315.66 lakhs).The sensitivity to a reasonably possible change in foreign exchange rate on profit or loss of the Company is as below:

	For the Year ended March 31, 2020		For the Year ended March 31, 2019		April 01, 2018	
	% increase	% decrease	% increase	% decrease	% increase	% decrease
Impact on profit/(loss) before tax	(175)	175	(149)	149	(124)	124

(B) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade receivables and loans to related party. The Company does not expect any credit risk with respect to other financial assets i.e. security deposits, bank deposits, etc. The management reviews trade receivables and loans to subsidiaries on a periodic basis and take necessary mitigations, wherever required. The Company creates allowance for all unsecured trade receivables based on lifetime expected credit loss. The summary of changes in allowance for receivables / loans is as below:

	Trade receivables			Loan to a related party		
	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Balance at the beginning of the year	-	-	-	-	-	-
Allowance recognised during the year	-	-	-	-	-	-
Balance at the end of the year	-	-	-	-	-	-

(C) Liquidity risk

The Company determines its liquidity requirement in the short, medium and long term. This is done by drawings up cash forecast for short term and long term needs. The Company manage its liquidity risk in a manner so as to meet its normal financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Surplus funds not immediately required are invested in certain fixed deposit which provide flexibility to liquidate. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below summarizes the maturity profile of the Company's financial liabilities:

	Maturities				
	Upto 1 year	1-2 years	2-3 years	Above 3 years	Total
March 31, 2020					
Non-current borrowings	-	710	716	918	2,344
Current borrowings	29,384	-	-	-	29,384
Trade payables	41,970	-	-	-	41,970
Other financial liability	2,820	-	-	-	2,820
Total	74,174	710	716	918	76,518
March 31, 2019					
Non-current borrowings	-	730	676	1,259	2,665
Current borrowings	26,264	-	-	-	26,264
Trade payables	42,120	-	-	-	42,120
Other financial liability	3,428	-	-	-	3,428
Total	71,812	730	676	1,259	74,477
April 1, 2018					
Non-current borrowings	-	815	723	1,835	3,373
Current borrowings	24,840	-	-	-	24,840
Trade payables	28,660	-	-	-	28,660
Other financial liability	2,306	-	-	-	2,306
Total	55,806	815	723	1,835	59,179

49 Capital management

The Company objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Sourcing of capital is done through judicious combination of equity/internal accruals and borrowings, both short term and long term. Net debt (total borrowings less current investments and cash and cash equivalents) to equity ratio is used to monitor capital. For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-current borrowings & lease liabilities	5,980	2,665	3,373
Current maturities of non-current borrowings and lease liabilities	2,028	839	368
Current borrowings	29,384	26,264	24,840
Less: Cash and cash equivalents (other than restricted cash)	(3,623)	(1,065)	(1,505)
Less: Other bank balances	(224)	(380)	(47)
Net debt	33,545	28,323	27,029
Equity share capital	916	916	916
Other equity	54,923	52,280	46,646
Total capital	55,839	53,196	47,562
Gearing ratio	60.08%	53.24%	56.83%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020, March 31, 2019 and April 1, 2018.

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50 Adoption of Ind AS

A. First time adoption

These financial statements, for the year ended March 31, 2020, are the first financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP" or "Previous GAAP").

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2018 and the financial statements as at and for the year ended March 31, 2019.

B. Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions and certain optional exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions and optional exemptions :

(i) The Company has elected to avail exemption under Ind AS 101, to measure all of its property, plant and equipment and intangible assets at their respective carrying values as per the statement of financial position prepared in accordance with Previous GAAP.

(ii)The Company has elected to avail exemption under Ind AS 101, to measure all the investment in subsidiary,associate,joint venture to be carried at cost in accordance with Previous GAAP.

C. Exceptions applied

(i) Ind AS 101 requires an entity's estimates in accordance with Ind ASs at the date of transition to Ind AS to be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.
The Company's estimates as at April 01, 2018 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:
> Investment carried at FVPL or FVOCI; and
> Effective Interest Rate used in calculation of Security Deposits
> Fair Valuation of Inter-Corporate loans and advances.

D. Reconciliation of total equity between previous GAAP and Ind AS

1. Equity reconciliation *Rs. in lakhs*

Particulars	Notes	March 31, 2019	April 01, 2018
Equity as reported under previous GAAP		49,705	45,381
Equity as per IND AS		53,196	47,562
Difference		**3,491**	**2,181**
Effect of transition to Ind AS			
i)Cumulative effect of goodwill amortisation on transition	a	(2,697)	(1,966)
ii)Valuation of quoted investment at fair value	b	(300)	(282)
iii) Discounting of security deposits paid	c	66	68
iv)Interest on loans to inter company	e	(560)	
Balance		-	-

2. Total comprehensive income reconciliation for the year ended March 31, 2019 and March 31, 2020 *Rs. in lakhs*

Particulars	Notes	Year Ended March 31, 2019
Net Profit as reported under previous GAAP		4,324
Effect of transition to Ind AS		
i)Reversal of amortisation of goodwill	a	731
ii)Employee Benefit Expense(Actuarial gain/(loss))	d	24
iii)Discounting of Security Deposit paid	b	1
iv)Interest on loans to inter company	e	560
Net Profit after tax as per Ind AS		**5,640**
Other comprehensive income (net of tax)		
Employee Benefit Expense	d	(24)
Fair Valuation of Equity Instrument	c	18
Total Comprehensive Income as per Ind AS		**5,634**

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E. Comparative financial statement

The following provides the Comparison of financial statement between previous GAAP and Ind AS for 1 April, 2018 and March 2019:

(i) Comparison of financials as on April 01, 2018

	Indian GAAP*	Ind AS
ASSETS		
Non-current assets		
Property, plant and equipment	18,224	18,224
Capital work-in-progress	27	27
Goodwill	1,693	3,659
Other intangible assets	497	497
Intangible asset under development	1,907	1,907
Financial assets		
Investments	4,227	7,297
Loans	15,547	6,629
Other financial assets	-	1,838
Other non-current assets	-	1,159
Total non-current assets	42,122	41,237
Current assets		
Inventories	26,798	26,798
Financial assets		
Investments	20	53
Trade receivables	27,223	27,604
Cash and cash equivalents	3,047	2,978
Bank balances other than above		47
Other financial assets	8,460	1,073
Current tax assets (net)		2,441
Other current assets	2,369	9,961
Total current assets	67,917	70,955
Total assets	1,10,039	1,12,192
EQUITY AND LIABILITIES		
Equity		
Equity share capital	916	916
Other equity	44,465	46,646
Total equity	45,381	47,562
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	3,373	3,373
Other financial liabilities	54	54
Employee benefit obligations	872	872
Other non-current liabilities	-	-
Deferred Tax Liability	1,359	1,359
Total non-current liabilities	5,658	5,658
Current liabilities		
Financial liabilities		
Borrowings	24,840	24,840
Trade payables	30,263	28,660
Other financial liabilities		2,306
Other current liabilities	3,834	3,104
Employee benefit obligations	63	62
Current tax liabilities (net)	-	-
Total current liabilities	59,000	58,972
Total liabilities	64,658	64,630
Total equity and liabilities	1,10,039	1,12,192

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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(ii) **Comparison of financials as on March 31, 2019**

	Indian GAAP*	Ind AS
ASSETS		
Non-current assets		
Property, plant and equipment	17,500	17,499
Capital work-in-progress	34	34
Goodwill	962	3,659
Other intangible assets	347	347
Intangible asset under development	3,315	3,315
Financial assets		
Investments	4,489	7,917
Loans	14,228	7,755
Other financial assets	-	2,113
Other non-current assets	-	1,726
Total non-current assets	40,875	44,365
Current assets		
Inventories	36,767	36,766
Financial assets		
Investments	43	53
Trade receivables	36,753	36,753
Cash and cash equivalents	2,704	2,303
Bank balances other than above	-	380
Other financial assets	7,476	967
Current tax assets (net)	-	-
Other current assets	3,464	10,030
Total current assets	87,207	87,252
Total assets	1,28,082	1,31,617
EQUITY AND LIABILITIES		
Equity		
Equity share capital	916	916
Other equity	48,789	52,280
Total equity	49,705	53,196
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	2,665	2,665
Other financial liabilities	-	4
Other non-current liabilities	4	-
Employee benefit obligations	885	885
Deferred Tax Liability	1,097	1,097
Total non-current liabilities	4,651	4,651
Current liabilities		
Financial liabilities		
Borrowings	26,264	26,264
Trade payables	43,900	42,121
Other financial liabilities	-	3,428
Other current liabilities	2,977	1,326
Employee benefit obligations	585	64
Current tax liabilities (net)	-	567
Total current liabilities	73,726	73,770
Total liabilities	78,377	78,421
Total equity and liabilities	1,28,082	1,31,617

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Statement of profit or loss for the year ended March 31, 2019

	Indian GAAP*	Ind AS
Income		
Revenue from operations	1,37,088	1,37,088
Other income	1,998	2,744
Total income	1,39,086	1,39,832
Expenses		
Cost of material consumed	95,987	95,987
Purchase of Stock-in-trade	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(370)	(370)
Employee benefit expense	17,904	18,363
Finance costs	3,781	3,849
Depreciation and amortization expense	3,278	2,549
Other expenses	12,607	12,791
Total expenses	1,33,187	1,33,169
Profit /(Loss) before exceptional items and tax	5,899	6,663
Exceptional items	-	-
Profit /(Loss) before tax	5,899	6,663
Tax expense		
Current tax	1,837	1,837
Deferred tax	(262)	(262)
Total income tax expense	1,575	1,575
Profit for the year	4,324	5,088
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net (loss)/gain on FVTOCI equity Securities	-	18
Remeasurement of net defined benefit liability		528
Income tax effect	-	-
	-	546
Other comprehensive income for the year	-	546
Total other comprehensive income for the year	4,324	5,634

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

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Notes to reconciliations between previous GAAP and Ind AS

a) Goodwill

Under IGAAP, acquired goodwill was amortised over the useful life and the amortisation expense was recognised in the statement of profit and loss. Under Ind AS, goodwill arising out of business combination are not amortised but are tested for impairment annually.Therefore,amortisation expense as at 01 April, 2018 was reversed to 'Surplus/(deficit) in the statement of profit/loss' and for the year ended March 31, 2019 and March 31, 2020, the same was reversed through statement of profit and loss.

b)Fair valuation of investment

In local GAAP, Investments are carried at cost except for adjustments in respect of permanent diminution in case of long term investments and valuation at lower of cost or market value in case of short term investments. As at April 1, 2018, March 31, 2019 and March 31, 2020 all of the Company's investments were valued at cost. As per paragraph 5.2.1 Investment qualifying for classification as financial assets in accordance with paragraph 11 of Ind AS 32 should be valued in accordance with subsequent measurement principles contained in paragraph 5.2.1 of Ind AS 109. Amounts below represent impact of the same:

	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Non-Current Investments			
- Investment in equity instruments (FVTOCI)	212	340	300
Current Investments			
- Investment in Mutual Funds (FVTOCI)	6	10	32

c)Security deposit

Under Ind AS interest free security deposits are carried at amortised cost by discounting the same using interest rates applicable to the counter party. The difference between transaction cost and fair value is recognised as prepaid lease and amortised over the period of the lease on a straight-line basis. Further, interest income is recognised on the amortised cost of the security deposits over the lease period.

d) Employee benefits

Under previous GAAP, actuarial gains and losses were recognized in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability which is recognized in other comprehensive income in the respective periods.

e)Loans to inter company

Under previous GAAP, loans to inter company were recognised on carrying value. Under Ind As, it has been measured at fair value and interest has been calculated on such fair value which is recognised in profit and loss of respective period.

e) Statement of cash flows

The transition from Previous GAAP to Ind AS did not have a material impact on statement of cash flows.

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51 COVID 19 was declared a global pandemic on March 11, 2020 and consequently the Government of India declared lockdown on March 23, 2020 until May 2020. The pandemic and lockdown impacted normal operations by way of interruption in production, supply chain disruption, customer order deferrals, unavailability of personnel, etc. Manufacturing and exports commenced by first week of May 2020 based on permissions from relevant authorities. The Management has made a detailed assessment on recoverability and carrying value of its assets comprising of plant, property and equipment, intangible assets, investments, inventory, trade receivables and other financial assets. Based on current visibility of future business environment, economic conditions and liquidity position of the company, the company expects to recover the carrying amount of these assets. The actual impact may be different from that estimated as at the date of approval of these financial statements, as it will depend upon future developments and future actions to contain or treat the disease and mitigate its impact on the economy. Accordingly, no adjustments have been made to the financial statements.

52 Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's disclosure

As per our report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.:105047W

MSKA & ASSOCIATES CHENNAI Chartered Accountants

Geetha Jeyakumar
Partner
Membership No: 029409

Place: Chennai
Date: December 31, 2020

For and on behalf of the Board of Directors
SFO Technologies Private Limited
CIN: U72900KL1990PTC005620

Javad K. Hassan	**N. Jehangir**	**K. Padmanabhan**
Chairman	Director	Company Secretary
DIN: 00004483	DIN: 00082790	Membership No: F6985

Place:Kochi
Date: December 31, 2020