

# B. SUJEET & CO.

Chartered Accountants

Tel : 040-27815309

Cell : 98495 99373

E-mail : sujitborundia@gmail.com

## Independent Auditor's Report

# F. No. 102, Surya Kiran Complex,  
S. D. Road, Secunderabad - 500 003.

To the Members of Safetrunk Services Private Limited

### Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Safetrunk Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred as "Ind AS financial statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2018 and *its Loss* and its cash flows for the year ended on that date.

### Emphasis of Matter

The Company has been defaulting on its financing arrangements with the lenders indicates an uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

Our matter is not qualified in this regard.

### 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 the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.




- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which has an impact on its financial position in its financial statements.
  - ii. The Company did not have long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

for B. Sujeet & Co.

Chartered Accountants

Firm's Registration number: 009308S

  
B. Sujeet Kumar

Proprietor

Membership number: 209547



Hyderabad

24<sup>th</sup> May, 2018

## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Safetrunk Services Private Limited on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2018, we report that:

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such physical verification.  
(c) The Company has taken land on lease for constructing the locker facility and hence the title deeds of the land are not in the name of the Company.
- (ii) The Company is a service company, primarily rendering Locker services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans to any body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus paragraph 3(iii) of the Order is not applicable to the Company.
- (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, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have not been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, the following undisputed amounts are payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.





S.No.	Nature of Dues	Amount (Rs.)
1.	Service Tax Payable	1,34,073
2.	TDS Payable	1,21,994
3.	VAT Payable	2,54,426

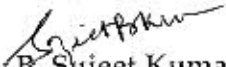
- (b) According to the information and explanations given to us, there are no material dues of any duty or tax which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has defaulted in repayment of its loans and borrowings to bank. The amount of default is Rs. 89,78,966/- and the period of default is 7 months.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for the managerial remuneration. Hence para 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (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.
- (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, paragraph 3(xv) of the Order is not applicable.



(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for B. Sujeet & Co.  
Chartered Accountants

Firm's registration number: 009308S

  
B. Sujeet Kumar  
Proprietor

Membership number: 209547

Hyderabad

24<sup>th</sup> May, 2018



## **Annexure - B to the 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 over financial reporting of Safetrunk Services Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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



statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Qualified Opinion**

We draw attention to the following:

- a) There has been considerable delay in commencement of business owing to delay in project execution which led to cost overrun and loss of business.
- b) The Company has not received a GST transitional credit of Rs. 19.33 lakhs despite filing GST Trans 1 form.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility



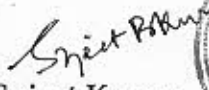


that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

According to the information and explanation given to us, except for possible effects of the material weakness described above on the achievement of objectives of the control criteria, the Company has established its internal financial control over financial reporting on criteria based on or 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on or 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.

We have considered the material weaknesses and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the material weaknesses does not affect our opinion on the Ind AS financial statements of the Company.

for B. Sujeet & Co  
Chartered Accountants  
Firm's Registration Number: 009308S

  
B. Sujeet Kumar  
Proprietor  
Membership Number: 209547



Hyderabad  
24<sup>th</sup> May, 2018

**SAFETRUNK SERVICES PRIVATE LIMITED**  
Corporate Identification Number: U74900TN2015PTC098854  
Balance Sheet as at March 31, 2018

	Particulars	Note No.	As at Mar 31, 2018	As at Mar 31, 2017
	<b>ASSETS</b>			
(1)	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	2a	10,13,35,283	13,49,197
	(b) Capital work-in-progress	3	-	8,65,70,299
	(c) Other Intangible assets	2b	7,91,866	7,67,056
	(d) Financial Assets			
	(i) Investments			-
	(ii) Trade receivables			-
	(iii) Service concession receivables			-
	(iv) Loans			-
	(iii) Other financial assets	4	35,24,566	24,55,000
	<b>Total Financial Asset</b>		10,56,51,715	9,11,41,552
	(e) Other non current assets			-
	<b>Total Non Current Assets</b>		10,56,51,715	9,11,41,552
(2)	<b>Current assets</b>			
	(a) Inventories			-
	(b) Financial Assets			
	(i) Investments			-
	(ii) Trade receivables			-
	(iii) Loans	5	4,519	6,000
	(iv) Cash and cash equivalents	6	3,24,868	33,92,099
	<b>Total Financial Asset</b>		3,29,387	33,98,099
	(c) Other current assets	7	50,34,193	51,70,727
	<b>Total Current Assets</b>		53,63,579	85,68,826
(3)	<b>Non current assets classified as held for sale</b>			-
	<b>Total Assets</b>		<b>11,10,15,295</b>	<b>9,97,10,378</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	8	4,80,00,000	1,00,000
	(b) Other Equity		96,73,871	5,19,84,534
	<b>Total Equity</b>		5,76,73,871	5,20,84,534
(1)	<b>LIABILITIES</b>			
	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	2,68,33,324	3,44,99,988
	(ii) Other financial liabilities		32,22,968	-
	<b>Total Financial Liabilities</b>		3,00,56,292	3,44,99,988
	(b) Provisions			-
	(c) Deferred tax liabilities (Net)			-
	(b) Other non current liabilities			-
	<b>Total Non Current Liabilities</b>		3,00,56,292	3,44,99,988
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	10	1,17,52,572	85,52,219
	(ii) Trade payables	11	88,36,779	17,73,397
	<b>Total Financial Liabilities</b>		2,05,89,351	1,03,25,616
	(b) Other current liabilities	12	26,95,781	28,00,239
	<b>Total Current Liabilities</b>		2,32,85,132	1,31,25,855
(3)	<b>Liabilities associated with non current assets held for sale</b>			-
	<b>Total Equity and Liabilities</b>		<b>11,10,15,295</b>	<b>9,97,10,378</b>
<p>Significant Accounting Policies 1</p> <p>The accompanying notes from an integral part of the financial Statements</p> <p>As per our report of even date attached.</p> <p>For M/s. B. SUJEET &amp; CO., CHARTERED ACCOUNTANTS Firm Registration No. 0093085</p> <p><i>B. Sujeet Kumar</i> B. SUJEET KUMAR Proprietor Membership No. 209547</p> <p><i>R. Ramaswamy</i> R. RAMASWAMY Director DIN - 07737350</p> <p><i>C.S.N. Prasad</i> C.S.N. PRASAD Director DIN - 07882618</p> <p>Place: Hyderabad Date: 24th May 2018</p>				

**SAFETRUNK SERVICES PRIVATE LIMITED**  
Corporate Identification Number: U74900TN2015PTC098854  
Statement of Profit and Loss for the Year ended March 31, 2018

	Particulars	Note	March 31, 2018	March 31, 2017
I	Revenue from Operations	13	27,12,363	-
II	Other Income			-
III	Total Income (I + II)		27,12,363	-
IV	Expenses			
	Employee Benefit Expense and Payment to Contractors	14	20,67,501	
	Finance Costs	15	4,79,631	8,879
	Depreciation and Amortisation	2a&2b	11,02,703	1,48,690
	Other Operating and General Expenses	16	31,22,681	29,07,815
	Total expenses (IV)		67,72,516	30,65,384
V	Profit Before Tax and Exception items (III - IV)		(40,60,153)	(30,65,384)
VI	Exceptional Items			-
VII	Profit/ (Loss) Before Tax (V - VI)		(40,60,153)	(30,65,384)
VIII	Tax Expenses			
	Current Tax			-
	Deferred Tax			-
	Minimum Alternative Tax Credit			-
	Tax relating to earlier years			-
	Total		-	-
IX	Profit for the year after tax (VII - VIII)		(40,60,153)	(30,65,384)
X	Other Comprehensive income, net of tax			
	(A) Items that will not be reclassified subsequently to profit and loss			
	Remeasurement of Loans			-
	Change in fair value of equity instruments designated irrevocably as FVTOCI			-
	Less :-income tax expense			-
	(B) Items that will be reclassified subsequently to profit and loss			
	Currency translation difference (net)			-
	Other Comprehensive income for the year, net of tax			-
XI	Total Comprehensive Income for the year (IX - X)		(40,60,153)	(30,65,384)
XII	Earnings Per Share	17		
	Basic and Diluted		(0.85)	(306.54)
	Face Value per Ordinary share		10.00	10.00

The accompanying notes form an integral part of the financial statements


As per our report of even date attached.

For M/s. B. SUJEET & CO.,  
CHARTERED ACCOUNTANTS  
Firm Registration No. 0093085

  
B. SUJEET KUMAR  
Proprietor  
Membership No. 209547



For and on behalf of the Board of Directors

  
R. RAMASWAMY  
Director  
DIN - 07737350

  
C.S.N PRASAD  
Director  
DIN - 07882618

Place: Hyderabad  
Date: 24th May 2018

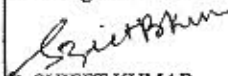
**SAFETRUNK SERVICES PRIVATE LIMITED**  
**Corporate Identification Number: U74900TN2015PTC098854**  
**Cash Flow Statement for the year ended March 31, 2018**

Particulars	31-03-2018 Rs.	31-03-2017 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net/(Loss) Profit before extraordinary items & taxation	(40,60,153)	(30,65,384)
Adjustments for operating activities :		
Interest Received	-	-
Miscellaneous Income	-	-
Depreciation	11,02,703	1,48,690
Interest and Finance Charges	4,79,631	8,879
Operating Profit before Working Capital Changes	(24,77,819)	(29,07,815)
Adjustments for :		
Increase/(Decrease) in Trade Payables	70,63,381	6,09,746
Increase/(Decrease) in Other Current Liabilities	31,18,510	26,29,079
(Increase)/Decrease in Long Term Loans and Advances	-	-
(Increase)/Decrease in Short Term Loans and Advances	1,481	(6,000)
(Increase)/Decrease in Non- Current Assets	(10,69,566)	44,55,252
(Increase)/Decrease in Other Current Assets	1,36,534	(42,10,903)
Cash generated from operations	67,72,521	5,69,359
Income Tax paid	-	-
Income Tax paid for earlier years	-	-
Net Cash from/ (used in) Operating Activities after extraordinary items (A)	67,72,521	5,69,359
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Self Construction of Assets - Capital Work in Progress	-	-
Purchase of PPE, Intangible Assets and Investment Property	(10,11,13,599)	(22,64,942)
Capital Work in Progress	8,65,70,299	(5,89,74,650)
Net cash from/ (used in) investing activities (B)	(1,45,43,300)	(6,12,39,592)
<b>B. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital	-	-
(Repayment)/Proceeds from Long Term Borrowings	(44,66,311)	6,40,67,099
Proceeds of Short Term Borrowings	96,49,490	-
Interest Paid	(4,79,631)	(8,879)
Net cash from/(used in) financing activities (C)	47,03,548	6,40,58,220
Net Increase in Cash and Cash Equivalents (A+B+C)	(30,67,231)	33,87,988
Cash and cash equivalents at the beginning of the year	33,92,099	4,111
Cash and cash equivalents at the end of the year	3,24,868	33,92,099
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	67,539	4,184
Balances with Banks		
-On Current Accounts	2,57,329	33,87,915
-On Deposit Accounts		
Cash and cash Equivalent (as per Note 6)	3,24,868	33,92,099

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.


For M/s. B. SUJEET & CO.,  
**CHARTERED ACCOUNTANTS**  
Firm Registration No. 009308S

  
**B. SUJEET KUMAR**  
Proprietor  
Membership No. 209547



Place: Hyderabad  
Date: 24th May 2018

For and on behalf of the Board of Directors

  
**R. RAMASWAMY**  
Director  
DIN - 07737350

  
**C.S.N PRASAD**  
Director  
DIN - 07882618



**SAFETRUNK SERVICES PRIVATE LIMITED**  
Corporate Identification Number: U74900TN2015PTC098854  
Statement of Changes in Equity for the Period ended March 31, 2018

**Statement of changes in equity**

Particulars	Equity Share Capital	Reserves & Surplus					Other Comprehensive Income			Equity component of Parent Company	Total Equity attributable to equity holders of the company
		Security Premium Reserve	Retained Earnings	Capital Profit on sale of assets	General Reserve	Business Transfer Adjustment Reserve	Equity Instruments through other comprehensive Income	Other Items of Other Comprehensive Income			
Balance as on 31st March 2016	1,00,000	-	(39,324)	-	-	-	-	-	3,40,74,350	-	3,41,35,026
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of the loan	-	-	-	-	-	-	-	-	2,10,14,892	-	2,10,14,892
Profit for the period	-	-	(30,65,384)	-	-	-	-	-	-	-	(30,65,384)
Balance as on 31st March 2017	1,00,000	-	(31,04,708)	-	-	-	-	-	5,50,89,242	-	5,20,84,535
Infusion of capital	4,79,00,000	-	-	-	-	-	-	-	-	-	-
Transferred to General Reserve	-	-	-	-	-	-	-	-	-	-	-
Remeasurement of the loan	-	-	-	-	-	-	-	-	(3,82,50,510)	-	(3,82,50,510)
Profit for the period	-	-	(40,60,153)	-	-	-	-	-	-	-	(40,60,153)
Balance as on 31st March 2018	4,80,00,000	-	(71,64,861)	-	-	-	-	-	1,68,38,732	-	97,73,873

The accompanying notes form an integral part of the financial statements

As per our report of even date attached.

For M/s. B. SUJEET & CO.,

CHARTERED ACCOUNTANTS

Firm Registration No. 009308S



*B. Sujeet Kumar*

B. SUJEET KUMAR

Proprietor

Membership No. 209547

Place: Hyderabad

Date: 24th May 2018

For and on behalf of the Board of Directors

*R. Ramaswamy*

R. RAMASWAMY

Director

DIN - 07737350

*CSN PRASAD*

CSN PRASAD

Director

DIN - 07882618



**SAFETRUNK SERVICES PRIVATE LIMITED**

**Corporate Identification Number: U74900TN2015PTC098854**

**Notes forming part of the financial statements for the year ended March 31, 2018**

---

**NOTE 1: COMPANY'S OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES**

**A. Background:** The Company is incorporated in the state of Tamilnadu in 2015. The Company is into providing safe lockers facility centre. The Company's registered office is in Chennai. The Company is a wholly owned subsidiary of M/s. PVP Ventures Limited. The Company is still in the process of constructing a very modern locker facility in an upmarket of Hyderabad.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

(A) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101. – First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in Note No. 14.

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

(B) The classification of assets and liabilities of the Company is done into current and non-current based on the operating cycle of the business of the Company is less than twelve months and therefore all current and non-current classifications are done based on the status of reliability and expected settlement of the respective asset and liability within a period of twelve months from the reporting date.

**(C) Use of Estimates**

The preparation of financial statements in conformity with the Ind AS requires that the management to make estimates, judgements and assumptions. These estimates, judgements, and assumptions affect the application of accounting policies and the



## **SAFETRUNK SERVICES PRIVATE LIMITED**

**Corporate Identification Number: U74900TN2015PTC098854**

**Notes forming part of the financial statements for the year ended March 31, 2018**

---

reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, if material, their effects are disclosed in the notes to the financial statements.

### **1.2 Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management. The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Computer - 3 years

Serves - 6 years

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 each date as disclosed under 'Capital Work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminate from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### **1.3 Intangible Assets**

Intangible Assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.



**SAFETRUNK SERVICES PRIVATE LIMITED**

**Corporate Identification Number: U74900TN2015PTC098854**

**Notes forming part of the financial statements for the year ended March 31, 2018**

---

**1.4 Borrowing Cost**

Expenditure on borrowing cost on the loans obtained specifically for acquisition, construction or production of qualifying assets are capitalized as part of the cost of that asset.

**1.5 Accounting for taxes on Income**

Tax Expense comprises of current and deferred taxes.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961.

Deferred tax liabilities and deferred tax assets are recognized for the tax effect at present tax rates on the difference between taxable income and accounting income which are not permanent in nature subject to the consideration of prudence in the case of deferred tax assets.

**1.6 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has an obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for. Provisions are determined by discounting the expected future cash flows at a pre tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**1.7 Cash Flow Statement**

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





**SAFETRUNK SERVICES PRIVATE LIMITED**

**Corporate Identification Number: U74900TN2015PTC098854**

**Notes forming part of the financial statements for the year ended March 31, 2018**

---

**1.8 Earnings per share**

i. Basic and diluted earnings per share are calculated by dividing the net profit for the year/period attributed to equity shareholders by the weighted average number of equity shares outstanding during the year/period.

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



**SAFETRUNK SERVICES PRIVATE LIMITED**  
Corporate Identification Number: U74900TN2015PTC098854  
Notes to Balance Sheet as at March 31, 2018

**Note No (2a) : Property, Plant & Equipment**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018

Particulars	Computers & Related Assets	Office Equipments & others	Land & Buildings	Plant & Machinery	Furniture & Fixtures	Total
Gross carrying value as of March 31, 2017	2,08,860	12,30,348	-	-	-	14,39,207
Additions	16,380	-	3,48,80,530	1,95,71,305	4,65,39,385	10,10,07,599
Deletions	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Gross carrying value as of March 31, 2018	2,25,240	12,30,348	3,48,80,530	1,95,71,305	4,65,39,385	10,24,46,807
Accumulated Depreciation as of March 31, 2017	24,045	65,967	-	-	-	90,011
Depreciation	63,121	2,20,572	46,873	3,15,649	3,75,297	10,21,513
Accumulated depreciation on deletions	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Accumulated Depreciation as of March 31, 2018	87,165	2,86,539	46,873	3,15,649	3,75,297	11,11,524
Carrying value as of March 31, 2018	1,38,074	9,43,808	3,48,33,657	1,92,55,656	4,61,64,088	10,13,35,283

**Note No (2b) : Other Intangible Assets**

Following are the changes in the carrying value of property, plant and equipment for the year ended March 31, 2018

Particulars	Software	Total
Gross carrying value as of March 31, 2017	8,25,735	8,25,735
Additions	1,06,000	1,06,000
Deletions	-	-
Translation difference	-	-
Gross carrying value as of March 31, 2018	9,31,735	9,31,735
Accumulated Depreciation as of March 31, 2017	58,679	58,679
Depreciation	81,190	81,190
Accumulated depreciation on deletions	-	-
Translation difference	-	-
Accumulated Depreciation as of March 31, 2018	1,39,869	1,39,869
Carrying value as of March 31, 2018	7,91,866	7,91,866



**SAFETRUNK SERVICES PRIVATE LIMITED**  
Corporate Identification Number: U74900TN2015PTC098854  
Notes to Balance Sheet as at March 31, 2017

	Particulars	As at 31st March 2018	As at 31st March 2017
Note- 3	Capital work-in-progress Pre-Operative Expenses incurred (pending Capitalisation)	-	8,65,70,299
			<u>8,65,70,299</u>
Note- 4	<b>NON-CURRENT ASSETS</b>		
	Other Financial Assets (Unsecured and considered good)		
	Rental Deposits	24,00,000	24,00,000
	Electricity Deposit	40,000	55,000
	Capital Advances	10,84,566	-
		<u>35,24,566</u>	<u>24,55,000</u>
Note- 5	<b>CURRENT ASSETS - Loans</b> (Unsecured and considered good)		
	Staff Advances	4,519	6,000
		<u>4,519</u>	<u>6,000</u>
Note- 6	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash in hand (as certified by management)	67,539	4,184
	Balance with banks in current accounts	2,57,329	33,82,915
		<u>3,24,868</u>	<u>33,92,099</u>
Note- 7	<b>OTHER CURRENT ASSETS</b>		
	Welcome Kit	30,31,281	31,61,625
	Input Service Tax Credit	19,33,865	18,78,673
	Prepaid Expenses	69,047	1,20,429
		<u>50,34,193</u>	<u>51,70,727</u>
Note: 8	(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share <b>Authorised Share Capital</b> 10,000 Equity Shares of Rs. 10/- each	50,00,000	1,00,000
	<b>Issued, Subscribed and Paid Up</b> 10,000 Equity Shares of Rs. 10/- each	4,80,00,000	1,00,000
		<u>4,80,00,000</u>	<u>1,00,000</u>
	(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year: Number of equity shares outstanding as at the beginning of the year	10,000	
	Add: Number of Shares allotted during the year	47,90,000	10,000
	Less: Number of Shares bought back	-	-
	Number of equity shares outstanding as at the end of the year	<u>48,00,000</u>	<u>10,000</u>
	(C) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates PVP Ventures Limited and it's nominees	48,00,000	10,000
	(D) Shares in the company held by each shareholder holding more than 5%: Name of shareholder	No of shares at year end	
	PVP Ventures Limited and it's nominees	48,00,000	10,000
		<u>48,00,000</u>	<u>10,000</u>



**SAFETRUNK SERVICES PRIVATE LIMITED**  
**Corporate Identification Number: U74900TN2015PTC098854**  
**Notes to Balance Sheet as at March 31, 2017**

Particulars	As at 31st March 2018	As at 31st March 2017
Name of shareholder		
	% as at year end	
PVP Ventures Limited and it's nominees	100	100
	100	100
(E) Rights, preferences and restrictions attaching to various classes of shares	NIL	NIL
(F) Shares reserved for issue under options and contracts	NIL	NIL
(G) Commitments for sale of shares/ divestment	NIL	NIL
(H) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back	NIL	NIL
(I) The Company has only one class of shares issued and paid-up capital referred to as equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.		
(J) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after payment of all external liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.		
<b>Note- 9</b> Long Term Borrowings (Secured) Overdraft from UCO Bank	2,68,33,324 2,68,33,324	3,44,99,988 3,44,99,988
<b>Note- 10</b> Short Term Borrowings (Secured) Current maturities of Long Term Debt	1,17,52,572 1,17,52,572	85,52,219 85,52,219
<b>Note- 11</b> <b>TRADE PAYABLE</b> Sundry Creditors for services Retention Money	79,94,207 8,42,572 88,36,779	8,06,340 9,67,057 17,73,397
<b>Note- 12</b> Other Current Liabilities Statutory Liabilities Payable Advance Received from Site Customers	10,06,281 16,89,500 26,95,781	9,16,530 18,83,709 28,00,239





## SAFETRUNK SERVICES PRIVATE LIMITED

Corporate Identification Number: U74900TN2015PTC098854

Statement of Profit and Loss for the Year ended March 31, 2018

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Note-13	Revenue From Operations		
	Sale of Lockers	27,12,363	-
		<u>27,12,363</u>	<u>-</u>
Note-14	Employee Benefit Expense and Payment to Contractors		
	Salaries	20,55,664	-
	Staff Welfare	11,837	-
		<u>20,67,501</u>	<u>-</u>
Note- 15	Finance Cost		
	Other Interest	4,79,631	8,879
		<u>4,79,631</u>	<u>8,879</u>
Note- 16	Other Expenses		
	Power & Fuel Expenses	3,37,707	0
	Rates & Taxes	47,582	4,97,802
	Communication Expenses	1,21,306	94,130
	Advertisement Expenses	40,000	-
	Payment to statutory auditors as auditors	35,400	11,500
	Bank charges	1,70,677	7,274
	Business Promotions	1,47,860	55,288
	Insurance	1,08,302	15,753
	Office Maintenance Expenses	2,08,231	2,56,437
	Repairs & Maintenance	1,200	47,010
	Printing & Stationery	39,980	1,59,879
	Postage & Telegram	2,37,224	82,350
	Professional Charges	41,500	12,56,248
	Rent	5,05,040	
	Uniforms	675	
	AMC Expenses	98,507	
	Housing Keeping & Material Purchase Charges	1,51,862	
	Interest on TDS	53,487	
	Automated Key	8,725	
	Security Charges	7,42,685	2,59,775
	Travelling Exp	10,892	1,64,370
	Misc. Expenses	13,839	-
		<u>31,22,681</u>	<u>29,07,815</u>



**SAFETRUNK SERVICES PRIVATE LIMITED**

Corporate Identification Number: U74900TN2015PTC098854

Notes forming part of the financial statements for the year ended March 31, 2018

**Note No. 17 Other Items**

17.1 Loans and Advances from holding company which has no specific repayment term and carrying nil rate of interest has been considered as Other Equity.

17.2 During the year, the Company has set up the locker facility centre and commenced its business from 1<sup>st</sup> March, 2018.

**17.3 Earnings per Share (EPS)**

Particulars		2016-17	2016-17
Nominal Value of Equity Shares (Rs. per share)		10	10
No. of shares outstanding at the year end	A	48,00,000	10,000
Net Profit (in ₹)	B	(40,60,153)	(30,65,384)
Earnings Per Share- Rs. Per Share (Basic & Diluted)	B/A	(0.85)	(306.54)

**17.4 Related Party Transactions**

**a) Names of related parties and description of relationship:**

Description of relationship	Names of related parties
Holding Company	PVP Ventures Limited

**b) Summary of transactions with the related parties, during the year ended March 31, 2018 and balances as at the March 31, 2018**

Nature of transactions	Transactions for the Year Ended		Balance outstanding as at	
	Mar 31, 2018 ₹	Mar 31, 2017 ₹	Mar 31, 2018 ₹	Mar 31, 2017 ₹
Unsecured Loans Availed (Net)				
PVP Ventures Limited	(3,82,50,510)	21,014,892	1,68,38,732	5,50,89,242

**17.5 Lease Rentals**

The Company has entered into operating leases agreements for establishing the safety lockers centre. The rent is enhanced by 7% per annum. The tenure of the lease



**SAFETRUNK SERVICES PRIVATE LIMITED**  
**Corporate Identification Number: U74900TN2015PTC098854**  
**Notes forming part of the financial statements for the year ended March 31, 2018**

agreement is for 10 years with a lock in period of 5 years and the lease rentals were commenced from 1<sup>st</sup> April, 2016.

	Year Ending 31 <sup>st</sup> March, 2018 (₹)	Year Ending 31 <sup>st</sup> March, 2017 (₹)
Due within 1 year of Balance Sheet Date	58,80,204/-	54,95,520/-
Due between 1 and 5 years	2,79,35,280/-	2,61,07,800/-
Due after 5 years	1,70,71,860/-	4,43,25,383/-

Rent of Rs. 50,37,560/- (PY :Rs. 51,36,000/-) paid during the year 2017-18, being a direct expense has been accounted as capital work in progress and Rs. 4,57,960/- (PY: Nil ) has been debited to P&L.

#### 17.6 Financial Instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset and financial liability are disclosed.

##### Financial assets and liabilities

The carrying value of financial instruments by categories is as follows:

Particulars	As at 31 <sup>st</sup> March 2018		
	FVTPL	FVTOCI	Amortized Cost
<b>Financial Assets</b>			
Investments	-	-	
Other Financial Assets	-	-	35,24,566
Loans	-	-	4,519
Cash and cash equivalents	-	-	3,24,868
<b>Total</b>	-		<b>38,53,953</b>
<b>Financial Liabilities</b>			
Borrowings			3,85,85,896



**SAFETRUNK SERVICES PRIVATE LIMITED**

**Corporate Identification Number: U74900TN2015PTC098854**

**Notes forming part of the financial statements for the year ended March 31, 2018**

Trade Payables	-	-	88,36,779
Other Financial Liabilities	-	-	32,22,968
<b>Total</b>	-	-	<b>5,06,45,643</b>

Particulars	As at 31 <sup>st</sup> March 2017		
	FVTPL	FVTOCI	Amortized Cost
<b>Financial Assets</b>			
Investments	-	-	
Other Financial Assets	-	-	24,55,000
Loans	-	-	6,000
Cash and cash equivalents	-	-	33,92,099
<b>Total</b>	-	-	<b>58,53,099</b>
<b>Financial Liabilities</b>			
Borrowings			4,30,52,207
Trade Payables	-	-	17,73,397
Other Current Liabilities	-	-	28,00,239
<b>Total</b>	-	-	<b>4,76,25,843</b>

Assets and liabilities that are not financial assets or liabilities are not included.

The carrying amounts of cash and cash equivalent, trade payables and other financial liabilities are considered to be the same as their fair values due to their short term in nature.

- 17.7 In view of the uncertainty in the future income and profitability of the Company, the Company has not recognized Deferred Tax Asset on carry forward losses on the grounds of prudence.
- 17.8 The Company has not received any intimation from suppliers, regarding their status, under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure of any amounts unpaid as at the yearend together with interest paid/payable as required under the said Act have not been given.





**SAFETRUNK SERVICES PRIVATE LIMITED**

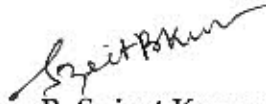
**Corporate Identification Number: U74900TN2015PTC098854**

**Notes forming part of the financial statements for the year ended March 31, 2018**

---


- 17.9 Explanatory notes 1 to 17 form an integral part of the Balance Sheet and Statement of Profit and Loss and are duly authenticated.

As per report of our even date  
For M/s. B. Sujeet & Co  
Chartered Accountants  
Firm Reg.No.009308S

  
B. Sujeet Kumar  
(Proprietor)  
M. No : 209547



For and on behalf of the Board of Directors

  
R. Ramaswamy  
(Director)  
DIN: 07737350

  
C.S.N Prasad  
(Director)  
DIN: 07882618

Place: Hyderabad  
Date: 24<sup>th</sup> May, 2018