

## Independent Auditor's Report

To the Members of Safetrunk Services Private Limited

### Report on the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of Safetrunk Services Private Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Cash Flow Statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information. (herein after referred as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements 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 2019 and its Loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We draw attention to the following matters in the Notes to the financial statements

- a) Note No.16.3 in the financial statements which indicates that the Company's income is far less than the operational expenditure endangering sustainability, inability of the Company to meet its financial commitments on borrowings, no future visibility of substantial rise in business volumes and the Company's current liabilities exceeded its current asset as at the balance sheet date. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.
- b) Despite low cash flows from the cash generating unit (CGU), impairment of the carrying value of entire assets of the CGU of Rs. 932.47 lakhs has not been provided for, due to which the Loss is lesser by this amount.





We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's responsibilities for the audit of Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical requirements in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Opinion Paragraph section, we have determined that there are no key audit matters to communicate in our audit report.

### **Responsibilities of Management and those charged with Governance 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.





## Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 decision of the users taken on the basis of these financial statements.

## 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) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2019 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 litigation which has 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

*Sujeet Kumar*

**B. Sujeet Kumar**

Proprietor

Membership number: 209547

Hyderabad

18<sup>th</sup> May, 2019





## 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 financial statements for the year ended 31<sup>st</sup> March 2019, 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 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 except the following

Name of the Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Due since
Service Tax	Service Tax on Works contract	1,34,073/-	October 2016 to January, 2017	Due during intervening periods
Telangana VAT	Tax on Works Contract	2,54,426/-	June 2016 to April, 2017	Due during intervening periods



According to the information and explanations given to us, no undisputed amounts 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 2019 for a period of more than six months from the date they became payable.

- (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 to a bank during the year. The amount of default is Rs.1,34,16,662/- and the period of default is from September, 2017.
- (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 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

*Sujeet Kumar*

**B. Sujeet Kumar**

Proprietor

Membership number: 209547

Hyderabad

18<sup>th</sup> May, 2019



## **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 2019 in conjunction with our audit of the 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 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.



## Opinion

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

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




*Sujeet Kumar*

**B. Sujeet Kumar**  
Proprietor  
Membership Number: 209547

Hyderabad  
18<sup>th</sup> May, 2019





	Particulars	Note No.	As at Mar 31, 2019	As at Mar 31, 2018
	<b>ASSETS</b>			
(1)	<b>Non Current Assets</b>			
	(a) Property, Plant and Equipment	2a	92,530,714	101,335,283
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	-
	(d) Goodwill		-	-
	(c) Other Intangible assets	2b	717,342	791,866
	(f) Intangible assets under development		-	-
	(d) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Service concession receivables		-	-
	(iv) Loans		-	-
	(iii) Other financial assets	3	3,524,566	3,524,566
	<b>Total Financial Asset</b>		96,772,622	105,651,715
	(e) Other non current assets		-	-
	<b>Total Non Current Assets</b>		96,772,622	105,651,715
(2)	<b>Current assets</b>			
	(a) Inventories		-	-
	(b) Financial Assets			
	(i) Investments		-	-
	(ii) Trade receivables		-	-
	(iii) Service concession receivables		-	-
	(iii) Loans	4	-	4,519
	(iv) Cash and cash equivalents	5	5,580,375	324,868
	(vi) Bank balances		-	-
	(vii) Other financial assets		-	-
	<b>Total Financial Asset</b>		5,580,375	329,387
	(c) Current tax assets (Net)		-	-
	(c) Other current assets	6	3,050,157	5,034,193
	<b>Total Current Assets</b>		8,630,531	5,363,580
(3)	<b>Non current assets classified as held for sale</b>		-	-
	<b>Total Assets</b>		<b>105,403,153</b>	<b>111,015,295</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	7	48,000,000	48,000,000
	(b) Other Equity		(2,633,984)	9,673,871
	<b>Total Equity</b>		45,366,016	57,673,871
(1)	<b>LIABILITIES</b>			
	<b>Non Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	8	17,714,594	26,833,324
	(ii) Trade payables		-	-
	(ii) Other financial liabilities		8,744,175	3,222,968
	<b>Total Financial Liabilities</b>		26,458,769	30,056,292
	(b) Provisions		-	-
	(c) Deferred tax liabilities (Net)		-	-
	(b) Other non current liabilities		-	-
	<b>Total Non Current Liabilities</b>		26,458,769	30,056,292
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	9	21,083,326	11,752,572
	(ii) Trade payables	10	8,522,895	8,836,779
	(iii) Other financial liabilities		-	-
	<b>Total Financial Liabilities</b>		29,606,221	20,589,351
	(b) Other current liabilities	11	3,972,147	2,695,781
	(c) Provisions		-	-
	(d) Current tax liabilities (Net)		-	-
	<b>Total Current Liabilities</b>		33,578,368	23,285,132
(3)	<b>Liabilities associated with non current assets held for sale</b>		-	-
	<b>Total Equity and Liabilities</b>		<b>105,403,153</b>	<b>111,015,295</b>
	Significant Accounting Policies	1		
	The accompanying notes from 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. 009498			
				
	<b>B. SUJEET KUMAR</b>			
	Proprietor			
	Membership No. 209547			
	Place: Hyderabad			
	Date: 18th May 2019			
	For and on behalf of the Board of Directors			
				
	<b>R. RAMASWAMY</b>			
	Director			
	DIN - 07737350			
				
	<b>C.S.N PRASAD</b>			
	Director			
	DIN - 07882618			

SAFETRUNK SERVICES PRIVATE LIMITED  
Corporate Identification Number: U74900TN2015PTC098854  
Statement of Profit and Loss for the year ended Mar 31, 2019

AMOUNT IN Rs.

	Particulars	Note	Mar 31, 2019	March 31, 2018
I	Revenue from Operations	12	847,767	2,712,363
II	Other Income			-
III	<b>Total Income (I + II)</b>		<b>847,767</b>	<b>2,712,363</b>
IV	<b>Expenses</b>			
	Employee Benefit Expense and Payment to Contractors	13	1,889,061	2,067,501
	Finance Costs	14	5,561,333	479,631
	Depreciation and Amortisation	2a&2b	8,879,091	1,102,703
	Other Operating and General Expenses	15	9,564,090	3,122,681
	<b>Total expenses (IV)</b>		<b>25,893,575</b>	<b>6,772,516</b>
V	<b>Profit Before Tax and Exception items (III - IV)</b>		<b>(25,045,808)</b>	<b>(4,060,153)</b>
VI	<b>Exceptional Items</b>			-
VII	<b>Profit/ (Loss) Before Tax (V - VI)</b>		<b>(25,045,808)</b>	<b>(4,060,153)</b>
VIII	<b>Tax Expenses</b>			
	Current Tax		-	-
	Deferred Tax		-	-
	Minimum Alternative Tax Credit		-	-
	Tax relating to earlier years		-	-
	<b>Total</b>		<b>-</b>	<b>-</b>
IX	<b>Profit for the year after tax (VII - VIII)</b>		<b>(25,045,808)</b>	<b>(4,060,153)</b>
X	<b>Other Comprehensive income, net of tax</b>			
	<b>(A) Items that will not be reclassified subsequently to profit and loss</b>			
	Remeasurement of Loans		-	-
	Change in fair value of equity instruments designated irrevocably as FVTOCI		-	-
	Less :-income tax expense		-	-
	<b>(B) Items that will be reclassified subsequently to profit and loss</b>			
	Currency translation difference (net)		-	-
			-	-
	<b>Other Comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
XI	<b>Total Comprehensive Income for the year (IX - X)</b>		<b>(25,045,808)</b>	<b>(4,060,153)</b>
XII	<b>Earnings Per Share</b>	16		
	Basic and Diluted		(5.22)	0.85
	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. 009308S

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

Place: Hyderabad  
Date: 18th May 2019

For and on behalf of the Board of Directors

  
**R. RAMASWAMY**  
Director  
DIN - 07737350

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



Particulars	31-03-2018 Rs.	31-03-2018 Rs.
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net/(Loss) Profit before extraordinary items & taxation	(25,045,808)	(4,060,153)
Adjustments for operating activities :		
Interest Received	-	-
Miscellaneous Income	-	-
Depreciation	8,879,091	1,102,703
Interest and Finance Charges	5,521,207	479,631
Operating Profit before Working Capital Changes	(10,645,510)	(2,477,819)
Adjustments for :		
Increase/(Decrease) in Trade Payables	(313,884)	7,063,381
Increase/(Decrease) in Other Current Liabilities	1,276,366	3,118,510
Increase/(Decrease) in Short Term Provisions	-	-
(Increase)/Decrease in Long Term Loans and Advances	-	-
(Increase)/Decrease in Short Term Loans and Advances	4,519	1,481
(Increase)/Decrease in Non- Current Assets	-	(1,069,566)
(Increase)/Decrease in Other Current Assets	1,984,037	136,534
Cash generated from operations	(7,694,472)	6,772,521
Income Tax paid	-	-
Income Tax paid for earlier years	-	-
Net Cash from / (used in) Operating Activities after extraordinary items (A)	(7,694,472)	6,772,521
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Self Construction of Assets - Capital Work in Progress	-	-
Purchase of PPE, Intangible Assets and Investment Property	-	(101,113,599)
Capital Work in Progress	-	86,570,299
Net cash from / (used in) investing activities (B)	-	(14,543,300)
<b>B. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Issue of Share Capital	-	-
Proceeds from the Holding Company	12,737,953	-
Proceeds from Long Term Borrowings(Additional Charges has charged to loan)	212,024	(4,466,311)
Repayment of Long Term Borrowings	-	-
Proceeds of Short Term Borrowings	-	9,649,490
Interest Paid	-	(479,631)
Net cash from/(used in) financing activities (C)	12,949,977	4,703,548
Net Increase in Cash and Cash Equivalents (A+B+C)	5,255,507	(3,067,231)
Cash and cash equivalents at the beginning of the year	324,868	3,392,099
Cash and cash equivalents at the end of the year	5,580,375	324,868
<b>Components of Cash and Cash Equivalents</b>		
Cash and cheques on Hand	555,592	67,539
Balances with Banks		
-On Current Accounts	5,024,783	257,329
-On Deposit Accounts		
Cash and cash Equivalent (as per Note 6)	5,580,375	324,868

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. 009308

*Sujeet Kumar*



B. SUJEET KUMAR  
Proprietor  
Membership No. 209547

Place: Hyderabad  
Date: 18th May 2019

For and on behalf of the Board of Directors

*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN - 07737350

*C.S.N Prasad*

C.S.N PRASAD  
Director  
DIN - 07882618

**SAFETRUNK SERVICES PRIVATE LIMITED**  
Corporate Identification Number: U74900TN2015PTC098854  
Statement of Changes in Equity for the Period ended Mar 31, 2019

**AMOUNT IN Rs.**

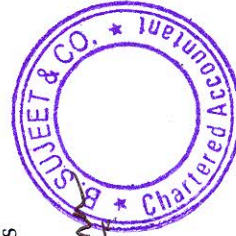
**Statement of changes in equity**

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		
Balance as on 31st March 2017	100,000	-	(3,104,708)	-	-	-	-	55,089,242	52,084,534
Infusion of capital	47,900,000	-	-	-	-	-	-	-	47,900,000
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the loan	-	-	-	-	-	-	-	(38,250,510)	(38,250,510)
Profit for the period	-	-	(4,060,153)	-	-	-	-	-	(4,060,153)
Balance as on 31st March 2018	48,000,000	-	(7,164,861)	-	-	-	-	16,838,732	57,673,871
Transferred to General Reserve	-	-	-	-	-	-	-	-	-
Remeasurement of the loan	-	-	-	-	-	-	-	12,737,953	12,737,953
Profit for the period	-	-	(25,045,808)	-	-	-	-	-	(25,045,808)
Balance as on 31st March 2019	48,000,000	-	(32,210,669)	-	-	-	-	29,576,686	45,366,016

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



*Sujeet Kumar*

B. SUJEET KUMAR  
Proprietor  
Membership No. 209547

Place: Hyderabad  
Date: 18th May 2019

For and on behalf of the Board of Directors

*R. Ramaswamy*

R. RAMASWAMY  
Director  
DIN - 07737350

*C.S.N. Prasad*

C.S.N. PRASAD  
Director  
DIN - 07882618



SAFETRUNK SERVICES PRIVATE LIMITED  
Corporate Identification Number: U74900TN2015PTC098854  
Notes to Balance Sheet as at Mar 31, 2019

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

Following are the changes in the carrying value of property, plant and equipment for the year ended Mar 31, 2019

Particulars	Computers & Related Assets	Office Equipments & others	Land & Buildings	Plant & Machinery	Furniture & Fixtures	Total
Gross carrying value as of March 31, 2017	208,860	1,230,348	-	-	-	1,439,207
Additions	16,380	-	34,880,530	19,571,305	46,539,385	101,007,599
Deletions	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Gross carrying value as of March 31, 2018	225,240	1,230,348	34,880,530	19,571,305	46,539,385	102,446,807
Additions	-	-	-	-	-	-
Deletions	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Gross carrying value as of March 31, 2019	225,240	1,230,348	34,880,530	19,571,305	46,539,385	102,446,807
Accumulated Depreciation as of March 31, 2017	24,045	65,967	-	-	-	90,011
Depreciation	63,121	220,572	46,873	315,649	375,297	1,021,513
Accumulated depreciation on deletions	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Gross carrying value as of March 31, 2018	87,165	286,539	46,873	315,649	375,297	1,111,524
Depreciation	42,267	176,458	551,116	3,653,416	4,381,311	8,804,568
Accumulated depreciation on deletions	-	-	-	-	-	-
Translation difference	-	-	-	-	-	-
Gross carrying value as of March 31, 2019	129,432	462,997	597,990	3,969,065	4,756,608	9,916,092
Carrying value as of Mar 31, 2019	95,808	767,351	34,282,540	15,602,239	41,782,776	92,530,714
Carrying value as of Mar 31, 2018	138,074	943,808	34,833,657	19,255,656	46,164,088	101,335,283

Note No (2b) : Other Intangible Assets

Following are the changes in the carrying value of property, plant and equipment for the period ended Mar 31, 2019

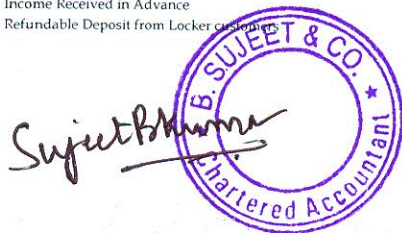
Particulars	Software	Total
Gross carrying value as of March 31, 2017	825,735	825,735
Additions	106,000	106,000
Deletions	-	-
Translation difference	-	-
Gross carrying value as of March 31, 2018	931,735	931,735
Additions	-	-
Deletions	-	-
Translation difference	-	-
Gross carrying value as of March 31, 2019	990,414	-
Accumulated Depreciation as of March 31, 2017	58,679	58,679
Depreciation	81,191	81,191
Accumulated depreciation on deletions	-	-
Translation difference	-	-
Gross carrying value as of March 31, 2018	139,870	139,870
Depreciation	74,523	74,523
Accumulated depreciation on deletions	-	-
Translation difference	-	-
Gross carrying value as of March 31, 2019	214,393	214,393
Carrying value as of Mar 31, 2019	717,342	717,342
Carrying value as of Mar 31, 2018	791,866	791,866



*Suresh Kumar*

SAFETRUNK SERVICES PRIVATE LIMITED  
Corporate Identification Number: U74900TN2015PTC098854  
Notes to Balance Sheet as at Mar 31, 2019

	Particulars	As at 31st Mar 2019	As at 31st March 2018
Note: 3	<b>NON-CURRENT ASSETS</b>		
	Other Financial Assets		
	(Unsecured and considered good)		
	Rental Deposits	2,400,000	2,400,000
	Electricity Deposit	40,000	40,000
	Capital Advances	1,084,566	1,084,566
		<u>3,524,566</u>	<u>3,524,566</u>
Note: 4	<b>CURRENT ASSETS</b>		
	Loans		
	(Unsecured and considered good)		
	Staff Advances	-	4,519
			<u>4,519</u>
Note: 5	<b>CASH AND CASH EQUIVALENTS</b>		
	Cash in hand	555,592	67,539
	(as certified by management)		
	Balance with banks in current accounts	5,024,783	257,329
		<u>5,580,375</u>	<u>324,868</u>
Note: 6	<b>OTHER CURRENT ASSETS</b>		
	Welcome Kit	2,965,511	3,031,281
	Input Service Tax Credit	34,503	1,933,865
	Prepaid Expenses	50,143	69,047
		<u>3,050,157</u>	<u>5,034,193</u>
Note: 7	<b>(A) Authorised, Issued, Subscribed and Paid-up share capital and par value per share</b>		
	Authorised Share Capital		
	50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
	Issued, Subscribed and Paid Up		
	48,00,000 Equity Shares of Rs. 10/- each	48,000,000	48,000,000
		<u>48,000,000</u>	<u>48,000,000</u>
	<b>(B) Reconciliation of number of equity shares outstanding at the beginning and at the end of the year:</b>		
	Number of equity shares outstanding as at the beginning of the year	4,800,000	10,000
	Add: Number of Shares allotted during the year	-	4,790,000
	Less: Number of Shares bought back	-	-
	Number of equity shares outstanding as at the end of the year	<u>4,800,000</u>	<u>4,800,000</u>
	<b>(C) Shareholding in the company of the holding company and ultimate holding company and their subsidiaries / associates</b>		
	PVP Ventures Limited and it's nominees	4,800,000	4,800,000
	<b>(D) Shares in the company held by each shareholder holding more than 5%:</b>		
	Name of shareholder	No of shares at year end	
	PVP Ventures Limited and it's nominees	4,800,000	4,800,000
		<u>4,800,000</u>	<u>4,800,000</u>
	Name of shareholder	% as at year end	
	PVP Ventures Limited and it's nominees	100	100
		<u>100</u>	<u>100</u>
	<b>(E) Rights, preferences and restrictions attaching to various classes of shares</b>	NIL	NIL
	<b>(F) Shares reserved for issue under options and contracts</b>	NIL	NIL
	<b>(G) Commitments for sale of shares/ divestment</b>	NIL	NIL
	<b>(H) Details of allotment of shares for consideration other than cash, allotments of bonus shares and shares bought back</b>	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		
	(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.		
Note: 8	<b>Long Term Borrowings</b>		
	(Secured)		
	Term Loan from UCO Bank	17,714,594	26,833,324
		<u>17,714,594</u>	<u>26,833,324</u>
Note: 9	<b>Short Term Borrowings</b>		
	(Secured)		
	Current maturities of Long Term Debt	21,083,326	11,752,572
		<u>21,083,326</u>	<u>11,752,572</u>
Note: 10	<b>TRADE PAYABLE</b>		
	Sundry Creditors for services	7,680,323	7,994,207
	Retention Money	842,572	842,572
		<u>8,522,895</u>	<u>8,836,779</u>
Note: 11	<b>Other Current Liabilities</b>		
	Statutory Liabilities Payable	545,256	1,006,281
	Income Received in Advance	780,847	
	Refundable Deposit from Locker customers	2,646,044	1,689,500
		<u>3,972,147</u>	<u>2,695,781</u>





**AMOUNT IN Rs.**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Note: 12 Revenue From Operations</b>		
Rent of Lockers	847,767	2,712,363
	<u>847,767</u>	<u>2,712,363</u>
<b>Note: 13 Employee Benefit Expense and Payment to Contractors</b>		
Salaries	1,885,946	2,055,664
Staff Welfare	3,115	11,837
	<u>1,889,061</u>	<u>11,837</u>
<b>Note: 14 Finance Cost</b>		
Other Interest	5,521,207	479,631
Interest on TDS	40,126	53,487
	<u>5,561,333</u>	<u>533,118</u>
<b>Note: 15 Other Expenses</b>		
Power & Fuel Expenses	309,750	337,706.63
Rates & Taxes	4,950	47,582
Communication Expenses	108,500	121,306
Advertisement Expenses	-	40,000
Payment to statutory auditors as auditors	-	-
Bank charges	35,400	35,400
Business Promotions	243,296	170,677
Insurance	65,770	147,860
Office Maintenance Expenses	62,836	108,302
Repairs & Maintenance	278,389	368,818
Printing & Stationery	182,733	99,707
Postage & Telegram	380	39,980
Professional Charges	74,621	237,224
Rent	9,000	41,500
Ineligible Input Tax Credit written off	5,136,000	505,040
Security Charges	1,933,865	-
Travelling Exp	1,117,882	742,685
Misc. Expenses	520	10,892
	198	14,514
	<u>9,564,090</u>	<u>3,069,193</u>

*Sujeet Ashwina*  


**SAFETRUNK SERVICES PRIVATE LIMITED**  
**Corporate Identification Number: U74900TN2015PTC098854**  
Notes forming part of the financial statements for the year ended March 31, 2019

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**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 running a very modern locker facility in an upmarket area of Hyderabad.

**B. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

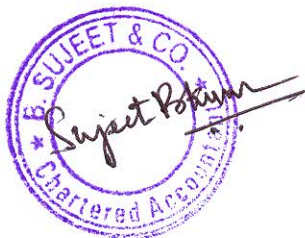
(A) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("Act") (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.

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 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





**SAFETRUNK SERVICES PRIVATE LIMITED**  
**Corporate Identification Number: U74900TN2015PTC098854**  
Notes forming part of the financial statements for the year ended March 31, 2019

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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 eliminated 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, 2019

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### **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, 2019**

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**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 forming part of the financial statements for the year ended March 31, 2019

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**Note No. 16 Other Items**

- 16.1 Loans and Advances from holding company which has no specific repayment term and carrying nil rate of interest have been considered as Other Equity.
- 16.2 The Term Loan from UCO Bank is secured by a mortgage of 20 residential apartment flats at Chennai belonging to PVP Ventures Ltd, pledge of 10,00,000 shares of Picturehouse Media Ltd held by PVP Ventures Ltd, personal guarantee of Smt. Sai Padma Potluri, Mrs. Jhansi Sureddi and Mr. Prasad V. Potluri and corporate guarantee by PVP Ventures Ltd.
- 16.3 The said Term Loan has been declared as Non Performing Asset by UCO Bank due to non- repayment of the term loan and non-servicing of the loan.
- 16.4 UCO Bank has revoked the pledge of 10,00,000 shares of Picturehouse Media Ltd held by PVP Ventures Ltd by transferring the shares to their account and sold 9,234 shares out of it. The value of sold shares have been adjusted with the dues of the UCO Bank.
- 16.5 The Company is negotiating the proposal for One Time Settlement to UCO Bank.
- 16.6 The Company has written off the outstanding tax credit as per the erstwhile service tax of Rs. 19.33 lakhs as the same has been lapsed due to non-filing of transitional forms under the new GST regime.

*Sujeet Sharma*





**SAFETRUNK SERVICES PRIVATE LIMITED****Corporate Identification Number: U74900TN2015PTC098854**

Notes forming part of the financial statements for the year ended March 31, 2019

**16.7 Earnings per Share (EPS)**

Particulars		2018-19	2017-18
Nominal Value of Equity Shares (Rs. per share)		10	10
No. of shares outstanding at the year end	A	48,00,000	48,00,000
Net Profit (in ₹)	B	(2,50,45,808)	(40,60,152)
Earnings Per Share- Rs. Per Share (Basic & Diluted)	B/ A	(5.22)	(0.85)

**16.8 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, 2019 and balances as at the March 31, 2019**

Nature of transactions	Transactions for the Year Ended		Balance outstanding as at	
	Mar 31, 2019 (Rs.)	Mar 31, 2018 (Rs.)	Mar 31, 2019 (Rs.)	Mar 31, 2018 (Rs.)
Unsecured Loans Availed (Net)				
PVP Ventures Limited	1,27,37,953	(3,82,50,510)	2,95,76,686	1,68,38,732

**16.9 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 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. The Company is in the process of negotiating with the landlord to amend the lease agreement of the land to waive the year or year increment of rent atleast for first 5 years till the time the business stabilizes. However, ignoring the negotiation process, the future rent has been taken considering the year on year enhancement.

*Sujeet Pokharna*  
Chartered Accountant

**SAFETRUNK SERVICES PRIVATE LIMITED**

Corporate Identification Number: U74900TN2015PTC098854

Notes forming part of the financial statements for the year ended March 31, 2019

	Year Ending 31 <sup>st</sup> March, 2019 (Rs.)	Year Ending 31 <sup>st</sup> March, 2018 (Rs.)
Due within 1 year of Balance Sheet Date	62,91,816/-	58,80,204/-
Due between 1 and 5 years	3,72,44,560/-	2,79,35,280/-
Due after 5 years	Nil	1,70,71,860/-

Rent of Rs. 51,36,000/- (PY :Rs. 50,37,560/-) paid during the year 2018-19 has been debited to P&L.

#### 16.10 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 2019		
	FVTPL	FVTOCI	Amortized Cost
<b>Financial Assets</b>			
Investments	-	-	
Other Financial Assets	-	-	35,24,566
Loans	-	-	-
Cash and cash equivalents	-	-	55,80,375
<b>Total</b>	-	-	<b>91,04,941</b>
<b>Financial Liabilities</b>			
Borrowings			3,87,97,920
Trade Payables	-	-	85,22,895
Other Financial Liabilities	-	-	87,44,175
<b>Total</b>	-	-	<b>5,60,64,990</b>





**SAFETRUNK SERVICES PRIVATE LIMITED**

**Corporate Identification Number: U74900TN2015PTC098854**

Notes forming part of the financial statements for the year ended March 31, 2019

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

- 16.11 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.
- 16.12 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, 2019

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**16.13** Explanatory notes 1 to 16 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

For and on behalf of the Board of Directors

*Sujeet Kumar*

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



Place: Hyderabad  
Date: 18<sup>th</sup> May, 2019

*R. Ramaswamy*

**R. Ramaswamy**  
(Director)  
DIN: 07737350

*C.S.N Prasad*

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