

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
M/s. ProYuga Advanced Technologies Limited**

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

### **Opinion**

We have audited the accompanying standalone financial statements of **M/s ProYuga Advanced Technologies Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss, and the statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and Loss, and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

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

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

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

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

## **Responsibilities of Management and Those Charged with Governance for the standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone financial statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the act, we are also responsible for expressing our opinion on whether a company has adequate inter financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The 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 standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of 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 would impact its financial position;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N R G & Co.,**  
Chartered Accountants  
Firm Registration No: 013417S

Sd/-  
**CA. P. Ramakrishna**  
Partner  
Membership No. 512328

Place: Hyderabad  
Date: 29.11.2019  
UDIN-19512328AAAAET1659

## **Annexure - A to the Independent Auditors' Report**

### **As referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' of our report of even date**

- (i) a) As per information and explanation provided to us and based on our examination of the records of the Company, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As per information provided before us, the fixed assets were physical verified by the management at reasonable intervals and no material discrepancies were noticed.
- c) We have obtained third party confirmations in respect of immovable properties of the company, held as fixed assets which are in the custody of third parties such as mortgagees.  
Based on our audit procedures and information and explanation received by us, we report that all title deeds of the immovable properties of the company held as fixed asset are held in the name of the company. However, we express no opinion on the validity of title of the company to these properties.
- (ii) As per information provided to us and to the best of our knowledge and belief, the physical verification of inventory has been conducted by the management at reasonable intervals. No material discrepancies have been noticed on physical verification of inventories as compared to book records.
- (iii) According to the information and explanations given to us, the Company has granted to Loan to one body corporate, covered in the register maintained under Section 189 of the Act, 2013 in respect of which :
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable..
- (v) According to the information and explanations given to us, during the financial year, the Company has not accepted deposits within the meaning of Section 73 to 76 of the Act. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

- (vii) a) According to the information provided and explanations given to us and based on our examination of the records of the Company, the company is generally regular in depositing with appropriate authorities undisputed statutory dues of income tax, Goods and Service tax, sales tax, service tax, duty of customs, Cess and other statutory dues as applicable to it. There are no material outstanding statutory dues existing as on the last day of the financial year which is outstanding for more than six months from the day these becomes payable.
- b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no dues of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax as applicable which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer or further public offer or term loan as applicable have been applied for the purpose for which they were raised.
- (x) According to the information and explanations given to us and to the best of our knowledge and belief, no fraud by or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) 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, the Company has entered transactions, during the period, with the related parties as per the provisions of section 177 and 188 of the Act, and where applicable and details have been disclosed in the Standalone 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 made any preferential allotment of shares and requirement of section 42 of the companies act have been complied.
- (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) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N R G & Co.,**

Chartered Accountants

Firm Registration No: 013417S

Sd/-

**CA. P. Ramakrishna**

Partner

Membership No. 512328

Place: Hyderabad

Date: 29.11.2019

UDIN-19512328AAAAET1659

## **Annexure - B to the Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/s. **ProYuga Advanced Technologies Limited** ("the Company") as of March 31, 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 March 31, 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 N R G & Co.,**

Chartered Accountants

Firm Registration No: 013417S

Sd/-

**CA. P. Ramakrishna**

Partner

Membership No. 512328

Place: Hyderabad

Date: 29.11.2019

UDIN-19512328AAAAET1659

**ProYuga Advanced Technologies Limited**  
**1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072**  
**Standalone Audited Balance Sheet as at 31st March, 2019**

(Amount in INR)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholder's funds:</b>			
(a)	Share Capital	1	959,755,027	113,485,027
(b)	Reserves and surplus	2	(205,410,956)	(15,286,491)
(c)	Money received against share warrants			
2	Share application money pending for allotment		-	-
<b>3</b>	<b>Non - current liabilities:</b>			
(a)	Long - term borrowings	3	16,323,714	-
(b)	Deferred tax liabilities (Net)		6,364,004	670,413
(c)	Other Long - term liabilities	4	60,000	-
<b>4</b>	<b>Current liabilities</b>			
(b)	Trade payables	5	3,710,128	3,057,439
(c)	Other current liabilities	6	21,638,394	1,932,112
(d)	Short - term provisions		-	-
	<b>Total</b>		<b>802,440,310</b>	<b>103,858,500</b>
<b>II</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non - current assets:</b>			
(a)	Fixed assets			
(i)	Tangible assets	7	87,370,406	34,147,687
(ii)	Intangible assets	8	134,734,032	7,316,192
(iii)	Capital work-in-progress	9	2,191,449	1,072,229
(iv)	Intangible assets under development			
(b)	Non - current investments	10	117,696,256	6,589,066
(c)	Deferred tax assets (Net)		-	-
(d)	Long-term loans and advances	11	6,017,670	665,000
(e)	Other non-current assets	12	1,505,220	2,006,960
<b>2</b>	<b>Current assets:</b>			
(a)	Current investments			
(b)	Inventories	13	8,649,119	2,527,375
(d)	Trade receivables	14	265,251	6,856,607
(e)	Cash and cash equivalents	15	370,056,451	38,406,851
(f)	Short-term loans and advances	16	19,602,298	585,419
(g)	Other current assets	17	54,352,158	3,685,114
	<b>Total</b>		<b>802,440,310</b>	<b>103,858,500</b>

The notes are an integral part of these Standalone Financial Statements.

As per our attached report of even date

**For N R G & Co**

Chartered Accountants

(Firm Reg. No. 013417S)

sd/-

**CA P Rama Krishna**

Partner

Membership No. 512328

Place: Hyderabad

29.11.2019

**For on Behalf of the Board of Directors**

**ProYuga Advanced Technologies Limited**

sd/-

**Trivikrama**

**Reddy Kothinti**

**Director & CEO**

**DIN: 07795482**

**Reshika Reddy Gattupally**

**Director**

**DIN:07987202**

sd/-

**Navya Surapaneni**

**CFO**

**ProYuga Advanced Technologies Limited**  
**1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072**  
**Standalone Statement of Profit and loss for the year ended 31st March, 2019**

(Amount in INR)

Particulars	Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I. Revenue From Operations	18	14,715,997	7,203,489
II. Other income	19	5,555,072	24,705
<b>III. Total Revenue (I + II)</b>		<b>20,271,069</b>	<b>7,228,194</b>
Employee benefits expense	20	29,321,277	13,671,085
Finance costs	21	1,163,485	10,526
Depreciation and amortization expense	7,8	6,894,027	974,123
Other Expense	22	167,323,154	7,188,539
Total expenses		<b>204,701,943</b>	<b>21,844,273</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(184,430,874)</b>	<b>(14,616,079)</b>
VI. Exceptional items		-	-
<b>VII Profit before extraordinary items and tax (V - VI)</b>		<b>(184,430,874)</b>	<b>(14,616,079)</b>
VIII Extraordinary Items			
(i) Prior period Item		-	-
<b>Profit before tax (VII- VIII)</b>		<b>(184,430,874)</b>	<b>(14,616,079)</b>
IX Tax expense:			
X (1) Current tax			
(2) Deferred tax		(5,693,591)	(670,413)
XI (3) Fringe benefit tax			
(4) MAT Credit entitlememnt			
<b>XII Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>(190,124,465)</b>	<b>(15,286,492)</b>
XIII Profit/(loss) from discontinuing operations		-	-
XVIII Tax expense of discontinuing operations		-	-
<b>Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)</b>		-	-
<b>Profit (Loss) for the period (XI + XIV)</b>		<b>(190,124,465)</b>	<b>(15,286,492)</b>
<b>Earnings Per Share</b>			
a) Basic		<b>(4.19)</b>	<b>(1.16)</b>
b) Diuted		<b>(4.19)</b>	<b>(1.16)</b>

The notes are an integral part of these Standalone Financial Statements.

As per our attached report of even date

**For N R G & Co**

Chartered Accountants  
(Firm Reg. No. 013417S)

sd/-

**CA P Rama Krishna**

Partner  
Membership No. 512328  
Place: Hyderabad  
29.11.2019

**For on Behalf of the Board of Directors**  
**ProYuga Advanced Technologies Limited**

sd/-

**Trivikrama  
Reddy Kothinti**  
Director & CEO  
DIN: 07795482

sd/-

**Reshika Reddy  
Gattupally**  
Director  
DIN:07987202

sd/-

**Navya Surapaneni**  
CFO

**ProYuga Advanced Technologies Limited**  
**1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072**  
**Stand Alone Cash Flow Statement as on March 31, 2019**

(Amount in INR)			
Particulars		For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash Flow from Operating Activities</b>			
Profit before Tax		(184,430,874)	(14,616,078)
Adjustments for:			
Depreciation		6,894,027	974,123
Financial Charges		875,661	-
Other Income		(5,555,072)	(24,705)
<b>Operating profit before working capital changes</b>		<b>(182,216,258)</b>	<b>(13,666,660)</b>
<b>Changes in working capital:</b>			
(Increase)/ Decrease in Receivables		6,591,356	(6,856,607)
(Increase)/ Decrease in Short term loans & advances		(19,016,879)	(585,419)
(Increase)/ Decrease in Other current assets & Inventory		(56,789,916)	(6,211,359)
Increase / (Decrease) in Trade payables		652,689	2,711,948
Increase / (Decrease) in Current Liabilities		19,766,282	2,277,603
<b>Cash generated from operations</b>		<b>(231,012,727)</b>	<b>(22,330,493)</b>
Income tax paid		-	-
<b>Net cash generated from/(used in) operating activities</b>		<b>(231,012,727)</b>	<b>(22,330,493)</b>
<b>B. Cash Flow from Investing Activities:</b>			
(Increase) / Decrease in Fixed Assets		(188,652,678)	(43,511,361)
(Increase) / Decrease in Non current Assets		(115,958,120)	(9,261,026)
Other Income		5,555,072	24,705
<b>Net cash generated from/(used in) investing activities</b>		<b>(299,055,727)</b>	<b>(52,747,682)</b>
<b>C. Cash Flow from Financing Activity</b>			
Increase / (decrease) in Unsecured Loans		16,323,714	-
Increase in share Capital		846,270,000	113,485,027
Interest paid		(875,661)	-
<b>Net cash generated from/(used in) financing activities</b>		<b>861,718,053</b>	<b>113,485,027</b>
<b>D. Net Increase/( Decrease) in Cash and Cash Equivalents</b>			
Cash and Cash Equivalents at the beginning of the year		38,406,851	-
<b>Cash and Cash Equivalents at the end of the year</b>		<b>370,056,451</b>	<b>38,406,851</b>
<b>Cash and cash equivalents comprise of:</b>			
Cash on hand		95,793	-
Amount maintained in wallet		456,184	-
Bank balances			
- in current accounts		218,150,768	37,884,392
- in deposit accounts		151,353,706	522,459
<b>Total</b>		<b>370,056,451</b>	<b>38,406,851</b>

See accompanying notes forming part of financial statements  
In terms of our report attached

**For N R G & Co.,**  
Chartered Accountants  
Firm Regd. No. 013417S

For on Behalf of the Board of Directors  
**ProYuga Advanced Technologies Limited**

sd/-  
**P Rama Krishna**  
Partner  
M.No.512328  
Place: Hyderabad  
Date:29.11.2019

sd/-  
**Trivikrama Reddy**  
Kothinti  
Director & CEO  
DIN: 07795482

sd/-  
**Reshika Reddy**  
Gattupally  
Director  
DIN:07987202

sd/-  
**Navya Surapaneni**  
CFO

**ProYuga Advanced Technologies Limited**

1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072

**Note 1. Share Capital**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Rs.	No. of Shares	Rs.
<b>b) Issued, Subscribed and Fully Paid up :</b>				
Fully Paid up capital Equity Shares of Rs.1/- Each	45,355,027	45355027	45,355,027	45,355,027
Fully Paid up Preference Shares Capital of Rs 10/- Each				
0.2% of Optimally convertible Preference Shares	6500000	65,000,000	6500000	65,000,000
0.02% of Compulsory Reedamable Preference Shares	313000	3,130,000	313000	3,130,000
0.02% of Optimally convertible Preference Shares	84627000	846270000		
Total	<b>136,795,027</b>	<b>959,755,027</b>	<b>52,168,027</b>	<b>113,485,027</b>

**1. Rights, preferences and restrictions attached to equity shares**

The company has only one class of Equity shares having a par value of Rs.1/- each. Each holder of Equity share is entitled to one vote per share on poll and have one vote on show of hands. In the event of liquidation, the equity, share holders are eligible to receive the remaining assets of the company in proportion to their shareholding after distribution of payments to preferential creditors.

In the event of liquidation of the Company, the equity shareholders will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, if any, in proportion to the number of equity shares held by the shareholders

**2. Details of share holders holding more than 5% of total number of shares**

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% of holding	No. of Shares	% of holding
Sama Vijaya Kumar Reddy	38,334,052	84.52%	39,374,052	86.81%
Sama Vasantha Sai	3,632,500	8.01%	3,632,500	8.01%

**3. Reconciliation of number of Equity shares:**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the year	45,355,027	45,355,027	-	-
Add: Shares Issued during the year	-	-	45,355,027	45,355,027
	45,355,027	45,355,027	45,355,027	45,355,027
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	<b>45,355,027</b>	<b>45,355,027</b>	<b>45,355,027</b>	<b>45,355,027</b>

**4. The company has not issued any bonus shares during the last five financial years.**

**5. None of the shares were allotted in pursuant to contract without payment being received in cash.**

**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 GENERAL INFORMATION:**

ProYuga Advanced Technologies Limited incorporated on 16th June, 2017. The main vision of the Company is to make India a global leader in advanced technologies. To realize its vision, the company is developing transformative products in Virtual, Augmented and Mixed Reality. The company is giving assistance to game developers in developing AR/VR/MR content in their games. It also extends support to organisations across domains to use this technology to enhance their products or services, for capacity building, to improve the productivity of their employees, to give immersive demos, for visualizing data, rapid prototyping and testing, and much more.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

The Financials statements are prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, other relevant provisions of the Act and other pronouncements of the Institute of Chartered Accountants of India.

The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The financials statements are presented in Indian rupees rounded off to the nearest rupee.

The assets and liabilities of the Company have been classified as current or non-current based on the estimation of whether it is expected to be realized/ settled within 12 months after the reporting date.

**2.2 USE OF ESTIMATE**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**2.3 PREPARATION OF CONSOLIDATION**

- i. The Consolidated Financial Statements ('CFS') of the Group have been prepared based on a line-by-line consolidation of the balance sheet as at March 31, 2019 and statement of profit and loss and cash flows of the Group for the year ended March 31, 2019.
- ii. The financial statements of the Subsidiaries considered for the purpose of consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2019.
- iii. The CFS have been prepared using uniform accounting policies, except as stated otherwise, for similar transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iv. All material inter-company transactions and balances between the entities included in the CFS have been eliminated on consolidation.
- v. Any excess / shortage of cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognized as goodwill / capital reserve in the CFS.
- vi. Minority interests have been excluded. Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

**2.4 TANGIBLE ASSET**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Costs comprises the purchase price and borrowing cost if the capitalisation criteria is met and directly attributable to bringing the said asset into the use as intended by the management and includes freight, duties taxes and other incidental expenses related to acquisition. Subsequent expenditure related to an item of Property Plant and equipment is added to its book value only if recognition criteria is met. All other expenses on existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts are charged to Statement of Profit and loss for the period during which such expense is incurred. The Company depreciates Property, Plant and Equipment over their estimated useful lives using Straight Line Method. The estimated life of the assets considered as per the Companies Act, 2013 is

**Estimated Useful life Adopted by the Company**

Particulars	Life of asset
End user devices, such as, desktops, laptops etc	3 years
Servers and networks	6 Years
Electrical Installations and Equipment	10 years
Furniture and fittings	10 years
Office Equipment	5 years

**2.5 INTANGIBLE ASSETS**

Intangible assets acquired separately are measured on initial recognition at cost. In case of the asset that are developed internally, the cost incurred during the development phase is capitalised in the books of Accountants. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. During the year under consideration, the Company has recognised an asset of Rs12.86 cr. The Board has approval with respect to such capitalisation

### **Computer software, Domain Names**

Costs incurred towards purchase of computer software are depreciated using the straight-line method over a period based on the license period of the software or based on the management's estimate of useful lives of such software which is 5 years from the date of capitalisation of asset

### **Design**

Cost incurred toward purchase of the design relating to arrangement of electronic components in the Customised electronic bat are depreciated using the straight-line method over a period based on management's estimate of useful lives of such design which is 5 years. The Rights that are acquired by the Company is for life time.

The Company has also applied for patents with respect to the design that the Company has procured.

## **2.6 BORROWING COSTS:**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

## **2.7 IMPAIRMENT OF ASSETS:**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

The carrying amount of goodwill arising on consolidation is reviewed for impairment in accordance with the requirements of Accounting Standard 28 "Impairment of Assets" and impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

## **2.8 INVENTORIES:**

Inventories are stated at lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The method of determination of cost of various categories of inventory are as follows:

a) Raw Materials and Stores and Spares - at Cost.

b) Finished goods at lower of Cost or Market value.

c) Consumables at lower of Cost or Market value

## **2.9 FOREIGN CURRENCY TRANSLATIONS:**

### **Initial Recognition:**

On initial recognition, all foreign currency transactions are recorded by converting the foreign currency amount with the exchange rate prevailing as on the date of the transaction

### **Subsequent Recognition:**

All the foreign current assets and liabilities are restated with the closing date exchange rate and Unrealised loss arising on account of such restatement is recognised in the statement of Profit & Loss account and the Unrealised gain on account of such restatement is not recognised in books of accounts on account considering the concept of Conservatism.

Realised Foreign Gain/Loss earned during the year under consideration is recognised in the statement of Profit & Loss Account

## **2.10 REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognized.

Revenue recognition of services depends as the service is performed. This is further divided into two ways:

(a) Proportionate Completion Method: This method of accounting recognizes revenue in the statement of profit & loss proportionately with the degree of completion of each service.

Here the service completion consists of the execution of more than one act. Revenue is recognized with the completion of each such act.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of**

**2.11 employment, of an amount based on the respective employee's salary and the tenure of employment.**

## 2.12 INCOME TAXES

Income tax expense comprises current tax expense and deferred tax asset or liability during the year. The current and deferred tax are recognized in the statement of profit and loss.

### Current Income taxes

Provision for income tax is made on the basis of taxable income for the year at the current rates. Since the company has incurred a loss during the year, the company has not made any provision for Income Tax.

### Deferred Income Taxes

Deferred Tax resulting from time difference between book profits and tax profits is accounted by using tax rates and law that have been enacted as on the balance sheet date. Deferred tax liability are generally accounted for all taxable temporary differences and accordingly the company has recognized Deferred Tax Liability.

## 2.13 LEASES:

### Operating Leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease.

### Finance Leases:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance Lease. Such assets are capitalised at fair value of the asset or the present value of minimum lease payments at the inception of the lease which ever is lower.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other short/long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## 2.14 SEGMENT REPORTING:

The Segment reporting is not applicable for the Company for the FY 18-19

## 2.15 EARNING PER SHARE:

The earnings considered in ascertaining the Group's earnings per share comprise the net profit or loss after tax attributable to equity share holders. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares, if any, which would have been issued on the conversion of all dilutive potential equity

## 2.16 PROVISIONS

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

## 2.17 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial

## 2.18 CASH AND CASH EQUIVALENT

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less

## 2.19 CASH FLOW STATEMENT:

The Cash flow statement is prepared in Indirect Method and the same is attached to the Financial Statements.

## 2.20 CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE:

There is no such Events during the year.

## 2.21 PRIOR PERIOD ITEMS AND CHANGES IN ACCOUNTING POLICIES:

There is no such Items and changes during the year.

## 2.22 ACCOUNTING FOR GOVERNMENT GRANTS:

The company has not received any grant from the Government.

## 2.23 RELATED PARTY DISCLOSURES:

The disclosures for the transactions with related parties are made as per the standards in the notes to accounts of the financial statements.

## 2.24 CONSOLIDATED FINANCIAL STATEMENTS:

The Company have Singapore Subsidiary named Mayuukha Pte Ltd. The Company was incorporated on 5th February, 2018. The Consolidated financial statements are prepared considering the Accounting principles stated in AS-11 and AS-21

**ProYuga Advanced Technologies Limited**

1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072

**Notes forming part of Unaudited Provisional Balance Sheet**

<b>Note:2</b>	<b>Reserve and surplus</b>	<b>(Amount in Rs)</b>
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(i) Security Premium	-	-
(ii) General reserve		
(ii) Surplus / (Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year	(15,286,491)	-
Add: Profit / (Loss) for the year	(190,124,465)	(15,286,491)
Balance at the end of the year	<b>(205,410,956)</b>	<b>(15,286,491)</b>
<b>Total</b>	<b>(205,410,956)</b>	<b>(15,286,491)</b>
<b>Note:3</b>	<b>Long Term Borrowings</b>	<b>(Amount in Rs)</b>
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a) Term loans		-
From banks	16,323,714	-
<b>Total</b>	<b>16,323,714</b>	<b>-</b>
<b>Note: 4</b>	<b>Other Long Term Liabilities</b>	<b>(Amount in Rs)</b>
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(i) Security Deposits	60,000	-
<b>Total</b>	<b>60,000</b>	<b>-</b>
<b>Note :5</b>	<b>Trade Payables</b>	<b>(Amount in Rs)</b>
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Trade payable Expenses	3,215,293	1,411,582
Trade Payable Capital purchases	494,834	1,645,857
<b>Total</b>	<b>3,710,128</b>	<b>3,057,439</b>
<b>Note: 6</b>	<b>Other Current Liabilities</b>	<b>(Amount in Rs)</b>
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a) Employee Benefit Expenses	2,547	52,147
<b>(b) Statutory Dues Payable</b>		
(i) PF Payable	193,798	-
(ii) Professional Tax Payable	25,400	7,800
(iii) TDS Payable	14,679,159	1,296,510
(iv) GST Payable	502,214	427,375
(c) Audit Fee Payable	202,500	125,000
(d) Others- Expenses	2,110	23,280
(e) Advances Received from Customer	6,030,666	-
<b>Total</b>	<b>21,638,394</b>	<b>1,932,112</b>

**ProYuga Advanced Technologies Limited**  
**1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072**  
**Unaudited Provisional Fixed Assets Register for the year ended 31st March, 2019**

Depreciation Schedule as per Companies Act, 2013

(Amount in INR)

S.No	Particulars	Gross Block (At cost)			Depreciation/Amortisation			Net block			
		As at April 1, 2018	Additions during the year	Deductions during the year	As at March 31, 2019	Up to April 1, 2018	Addition for the year	Deletion for the year	Up to March 31, 2019	As at March 31, 2019	As at March 31, 2018
<b>7</b>	<b>Tangible assets</b>										
	(i) Desktops & Laptops etc.	4,018,094	9,768,498		13,786,592	415,450	2,612,688		3,028,138	10,758,454	3,623,009
	(ii) Servers & Networks	20,365	139,112		159,477		15,905		15,905	143,572	
	(ii) Office Equipment	41,332	4,502,702		4,547,194	30	373,140		373,170	4,174,024	41,302
	(iii) Furniture and Fixtures	27,864	1,785,365		1,811,197	689	70,816		71,505	1,739,692	27,175
	(iv) Land and Buildings	30,480,000	34,344,000		64,824,000	23,799	715,009		738,808	64,085,192	30,456,201
	(v) Electrical Installations	-	1,297,381		1,297,381		46,314		46,314	1,251,067	-
(vi) Lease Hold Improvements	-	4,441,469		4,441,469		378,194		378,194	4,063,275	-	
(vii) Vehicles	-	1,193,974		1,193,974		38,844		38,844	1,155,130	-	
		<b>34,587,655</b>	<b>57,472,501</b>		<b>92,061,284</b>	<b>439,968</b>	<b>4,250,910</b>		<b>4,690,878</b>	<b>87,370,406</b>	<b>34,147,687</b>
<b>8</b>	<b>Intangible assets</b>										
	(i) Intangible Assets	7,850,347	128,648,207		136,498,554	534,155	2,642,693		3,176,848	133,321,706	7,316,192
	(iii) Moulds	7,850,347	1,412,750		1,412,750		424		424	1,412,326	-
		7,850,347	130,060,957		137,911,304	534,155	2,643,117		3,177,272	134,734,032	7,316,192
<b>9</b>	<b>(i) Capital WIP related to</b>	1,072,229	2,191,449	1,072,229	2,191,449				-	2,191,449	1,072,229
		1,072,229	2,191,449	1,072,229	2,191,449	-	-		-	2,191,449	1,072,229
	<b>Total tangible assets</b>	<b>35,659,884</b>	<b>59,663,950</b>	<b>1,072,229</b>	<b>94,252,733</b>	<b>439,968</b>	<b>4,250,910</b>		<b>4,690,878</b>	<b>89,561,855</b>	<b>35,219,916</b>
	<b>Total Intangible assets</b>	<b>7,850,347</b>	<b>130,060,957</b>		<b>137,911,304</b>	<b>534,155</b>	<b>2,643,117</b>		<b>3,177,272</b>	<b>134,734,032</b>	<b>7,316,192</b>
	<b>Total</b>	<b>43,510,231</b>	<b>189,724,907</b>	<b>1,072,229</b>	<b>232,164,037</b>	<b>974,123</b>	<b>6,894,027</b>		<b>7,868,150</b>	<b>224,295,887</b>	<b>42,536,108</b>

<b>Note:10 Non current Investments</b>		<b>(Amount in Rs)</b>	
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a)	Investments (At cost): Investment in Subsidiary Company Mayuukha Pte Ltd, Singapore	27,773,566	6,589,066
(b)	Loan given to Subsidiary Company- Mayuukha Pte Ltd, Singapore	89,922,690	-
<b>Total</b>		<b>117,696,256</b>	<b>6,589,066</b>

<b>Note :11 Long Term Loans and Advances</b>			
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a)	Security deposits	5,450,802	665,000
(b)	Advance paid for Capital Supplier	566,868	-
(c)	Other Loans		-
(d)	Secured Considered Good- Rental Advance		
<b>Total</b>		<b>6,017,670</b>	<b>665,000</b>

<b>Note:12 Other Non Current Assets</b>			
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(i)	Preliminary Expenditure Less Written Off	2,006,960 501,740	2,508,700 501,740
	Preliminary Expenditure Carried	1,505,220	2,006,960
<b>Total</b>		<b>1,505,220</b>	<b>2,006,960</b>

<b>Note: 13 Inventory</b>			
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a)	Raw materials	1,043,087	57,729
(b)	Work-in-progress @ (Refer Note below)	1,572,663	-
(c)	Finished goods (other than those acquired for trading)	-	19,202
(d)	Stock-in-trade (acquired for trading)	6,033,369	1,950,564
(e)	Other Consumables (T Shirts)		499,880
<b>Total</b>		<b>8,649,119</b>	<b>2,527,375</b>

<b>Note:14 Trade Receivables</b>		<b>(Amount in Rs)</b>	
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Trade receivables less than 6months		265,251	6,856,607
Secured considered good		-	-
Unsecured considered good		-	-
Less: Provision for doubtful trade receivables		-	-
<i>Other Trade receivables</i>			
(a)Debts due by directors or other officers of the company		-	-
(b) Other officers of the Company Firms in which any director is a partner (give details per firm)		-	-
Less: Provision for doubtful trade receivables		-	-
<b>Total</b>		<b>265.251</b>	<b>6.856.607</b>
<b>Note:15 Cash and cash equivalents</b>			
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a) Balances with banks		218,150,768	37,884,392
(b) Cheques, drafts on hand			
(c) Cash on hand		95,793	
(d) Amount maintained in wallets		456,184	
(d) In Deposit Accounts		151,353,706	522,459
<b>Total</b>		<b>370.056.451</b>	<b>38.406.851</b>
<b>Note:16 Short term loans and advances</b>			
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a)	Rental Advances		4,200
(b)	Advance paid to Suppliers	19,243,504	172,647
(c)	Salary Advance	17,826	5,000
(c)	Prepaid Expenses	340,968	403,572
(d)	Other Short term loans and advances		
<b>Total</b>		<b>19.602.298</b>	<b>585.419</b>
<b>Note:17 Other Current assets</b>			
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a)	Advance Tax	206,000	206,000
(b)	TDS Receivable FY 18-19	252,509	-
(c)	TDS Receivable FY 17-18	212,246	212246
(c)	GST Receivable	48,357,252	2968007
(d)	Others Receivables	1,541,957	298861
(e)	Interest Accured But not Due	3,230,449	
(f)	Other Current Assets	551,744	-
<b>Total</b>		<b>54,352,158</b>	<b>3,685,114</b>

**ProYuga Advanced Technologies Limited**  
**1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072**  
**Notes forming part of Unaudited Provisional statement of Profit & Loss**

<b>Note:18</b>		
<b>Income from Sale of Services</b>	<b>(Amount in INR)</b>	
<b>Particulars</b>	<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
Sale of services	14,715,997	7,203,489
Export services	0	
<b>Total</b>	<b>14,715,997</b>	<b>7,203,489</b>

<b>Note:19</b>		
<b>Other Income</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
Interest Income	5,544,437	24,705
Rent & Maintenance Received	-	-
Net gain/loss on sale of investments	-	-
Other non-operating income	10,635	-
<b>Total</b>	<b>5,555,072</b>	<b>24,705</b>

<b>Note:20</b>		
<b>Employee Benefits Expense</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
(a) Salaries and incentives Other than Directors	23,475,139	13,455,918
(b) Directors Remuneration	2,678,400	
(b) Contributions to -		
(i) provident fund & Other funds	767,028	
(b) Staff welfare expenses	2,400,710	215,167
<b>Total</b>	<b>29,321,277</b>	<b>13,671,085</b>

<b>Note:21</b>		
<b>Finance Cost</b>		
<b>Particulars</b>	<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
(a) Interest expense	875,661	-
(b) Dividend on redeemable preference shares;	-	-
(c) Exchange differences regarded as an adjustment to borrowing costs; and	-	
(c) Interest on TDS	287,824	10,526
<b>Total</b>	<b>1,163,485</b>	<b>10,526</b>

<b>Note:22 Other Expenses</b>		<b>(Amount in INR)</b>	
<b>Particulars</b>		<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
1	Bank, Paytm Charges	406,202	61,046
2	Entrance Fees	-	164,449
3	Repairs & Maintenance	3,065,214	111,567
4	Rent	10,966,751	1,589,524
5	Rates & Taxes	14,872,562	172,588
6	Travelling Expenses	9,111,509	510,917
7	Power and Fuel Charges	1,467,423	132,940
8	Marketing Expenses	5,595,021	740,891
9	Printing & Stationery	218,859	77,626
10	Professional Charges	107,929,960	2,189,774
11	Research and Development Expenses	964,528	142,020
12	Subscription	3,644,682	469,771
13	Telephone and Communication	1,238,428	161,515
14	Stipends	783,874	-
15	Audit Fees	225,000	125,000
16	Misc. Expense	215,084	37,171
17	Foreign Exchange Loss	4,664,250	-
18	Preliminary Expenses Written Off	501,740	501,740
19	Withholding Taxes written off	494,617	-
20	Commissions	957,451	-
<b>Total</b>		<b>167,323,154</b>	<b>7,188,539</b>

**Note-23**

		<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
<u>Sl.No</u>	<b>Contingent Liabilities</b>		
1	Unexpired Letter of Credit	Nil	Nil
2	Unexpired Bank Guarantees	Nil	Nil

**Note-22 A**

		<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
<u>Sl.No</u>	<b>Statutory Auditors Remuneration</b>		
1	Statutory Audit fee	150000	125000
2	Tax Audt fees	50000	-
3	Other Certifications	25000	-
<b>Total</b>		<b>225000</b>	<b>125000</b>

**Note-22 B**

		<b>For the Year ended March 31, 2019</b>	<b>For the Year ended March 31, 2018</b>
<u>Sl.No</u>	<b>Tax Expense</b>		
1	Current Tax	-	-
2	Deffered Tax	5,693,591	670413
		<b>5693591</b>	<b>670413</b>

**ProYuga Advanced Technologies Limited**

**1609, Lodha Supremus, Saki Vihar Road, Opp. MTNL office, Powai, Mumbai-400072**

Note-24 **Related Party Disclosures - As indentified by the management and relied upon by the auditors:**

**(A) Associates:**

CyberEye Research Labs & Security Solutions Private Limited - Common Share holder

iBuild Innovations India Limited- Common Shareholder

Social Infra Developers Private Limited - Common Share holder

**(B) Subsidiaries**

XR Technologies Limited

Mayuukha Pte Limited

(B) List of Related Parties and description of relationship as on March 31, 2019

(i) Key Management Persor Trivikrama Reddy Kothinti - Director & Shareholder

Vasantha Sai Sama - Director & Shareholder

Teja G Sriram - Director & Shareholder

Reshika Reddy Gattupally - Director & Shareholder

Spandana Rachamadugu - Director

Hari Haran Gorijavola - Non Executive Director

Srikanth Lingamneni - Non Executive & Independent Director

Navya Surapneni - CFO

Amabavarapu Jaya Kiran Reddy- Non Executive & Independent Director

(ii) Shareholder

(iii) Controlling Share holder Sama Vijaya Kumar Reddy

In accordance with Accounting Standard 18, the disclosure required are given below:

(Amount in INR)				
Particulars	As at March 31,2019		As at March 31,2018	
	Associates & Subsidiaries	KMP & Shareholder or Shareholder	Associates & Subsidiaries	KMP & Shareholder or Shareholder
- Services Rendered	9896		2492431	0
- Services Taken	224939830		8893120	0
- Remuneration		4700000	0	2103066
- Share Capital issued		2,68,10,000	0	43036552
IBuild Innovations India Limited:				
'-Amount Receivable/(payable)	18843597	0	-1378689	0
CyberEye Research Labs & Security Solutions Private Limited				
'-Amount Receivable/(payable)	32934	0	2268000	0
Social Infra Developers Private Limited				
'-Amount Receivable/(payable)	4948	0		
Vasantha Sai Sama				
'-Amount Receivable/(payable)	0	-265360	0	-252737
Trivikrama Reddy Kothinti				
'-Amount Receivable/(payable)	0	-15320	0	-17297
Reshika Reddy Gattupally				
'-Amount Receivable/(payable)	0	-198534		-197894
Navya Surapaneni				
'-Amount Receivable/(payable)	0	-59823	0	0
Sama Vijaya Kumar Reddy				
'-Amount Receivable/(payable)	0	-288500	0	290000
Spandana Rachamadugu				
'-Amount Receivable/(payable)	0	-1444	0	0
Teja G Sriram				
'-Amount Receivable/(payable)	0	-4843	0	2110
XR Technologies Limited				
'-Amount Receivable/(payable)	542826	0	0	0

Note:

All Directors have been considered as Key Management Personnel as they are involved in planning, directing and controlling the activities of the reporting enterprise.

Note-25 Foreign Exchange Transactions	As at	
	March 31,2019	March 31,2018
Earnings	0	0
Expenditure	8877202	347262
<b>Note-26 Earning Per share:</b> Net Profit after tax for the year has been used as the numerator and number of shares has been used as denominator for calculating the basis and diluted earning per share.		
	As at	
	March 31,2018	March 31,2018
<b>Basic and Diluted</b>		
Face Value per Share	1	1
Net Profit / (Loss) After Tax	(190,124,465)	(15,286,492)
Wighted Average No of Shares	45,355,027	13127426
<u>Basic &amp; Diluted Earning Per Share</u>	<u>-4.19</u>	<u>-1.16</u>
	As at	
	March 31,2019	March 31,2018
<b>Note-27 Micro, Small and Medium Enterprises Development Act, 2006</b>		
The principal amount remaining unpaid as at the end of the year	0	0
The amount of interest accrued and remaining unpaid at the end of the year	0	0
Amount of interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of payments made beyond the appointed date during the year	0	0
Amount of interest due and payable for the period of delay in making payments without the interest specified under the Micro, Small and Medium Enterprise Development Act, 2006	0	0
Amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of dis allowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	0	0
<b>Note-28 Figures are rounded off to the nearest rupee.</b>		
For N R G & Co., Chartered Accountants Firm Regd. No. 013417S	For on Behlaf of the Board of Directors <b>ProYuga Advanced Technologies Limited</b>	
sd/- <b>P Rama Krishna</b> Partner M.No.512328	sd/- <b>Trivikrama</b> Reddy Kothinti Director & CEO DIN: 07795482	sd/- <b>Reshika Reddy</b> Gattupally Director DIN:07987202
		sd/- <b>Navya Surapaneni</b> CFO
Place: Hyderabad Date: 29.11.2019		