

# **Aurofidel Outsourcing Limited**

Audited Financial Statements

FY 2020-2021



**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
Aurofidel Outsourcing Limited

**Opinion**

We have audited the accompanying financial statements **Aurofidel Outsourcing Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the 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 financial statements give the information required by the Company's 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 31<sup>st</sup> March, 2021, and its loss, total comprehensive income, its cash flows and changes in equity for the year ended on that date

**Basis of Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 the 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 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these statements of the current period. These matters were addressed in the context of our audit of the financial statements matters. We have determined that there are no key audit matters to communicate in our report.

**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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility 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 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss Statement including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Indian 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 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 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 A";
  - (g) The managerial remuneration for the year ended March 31, 2021 has not been paid / provided by the Company.
  - (h) 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 pending litigations which has impact on its financial position in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



**Bansi Khandelwal & Co.**  
Chartered Accountants

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Bansi Khandelwal & Co.  
Chartered Accountants  
ICAI Firm Registration No. 145850W

**Bansi V Khandelwal**  
Proprietor  
Membership No.: 138205  
UDIN No. : 21138205AAAAFC2366



Place: Mumbai  
Date: 21<sup>st</sup> May 2021



**Annexure to Independent Auditors' Report**

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

1. The Company does not have any fixed assets as at balance sheet date, hence this clause is not applicable.
2. Since the Company is engaged in service sector, there were no inventories in existence during the year; hence this clause is not applicable.
3. The Company has granted loans to one bodies corporate covered in the register maintained under section 189 of the Companies Act.
  - a) In our opinion, terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company
  - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the principal is payable on demand.
  - c) Since the principal is payable on demand and it is interest free, overdue of the loan does not arise.
4. 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. However, the company the given interest free Loans.
5. The Company has not accepted any deposits from the public.
6. 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.
7. According to the information and explanations given to us in respect of statutory dues:
  - a) Undisputed statutory dues in respect of sales tax, service tax, withholding taxes, provident fund, and employees' state insurance, cess as applicable and any other statutory dues have been regularly deposited with the appropriate authorities. There were no undisputed amounts payable in respect of Custom Duty, Sales Tax, Excise Duty, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2021, for a period of more than six months from the date they became payable.
  - b) There are no statutory dues pending to be deposited on account of disputes pending with various forums.
8. Based on our audit procedures and as per the information and explanations given by management, the Company has not defaulted in repayment of dues to debenture holders.
9. 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.



10. 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.
11. The Company has not paid/provided for managerial remuneration in the books of accounts. Accordingly, paragraph 3(xi) of the Order is not applicable.
12. 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.
13. 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.
14. According to the information and explanations give 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.
15. 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.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Bansi Khandelwal & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 145850W

**Bansi V Khandelwal**  
Proprietor  
Membership No.: 138205  
UDIN No. : 21138205AAAAFC2366



Place: Mumbai  
Date: 21<sup>st</sup> May 2021

**Aurotel Outsourcing Limited**  
 CIN No. U72900MH2008PLC179836  
 Balance Sheet As at 31 March 2021

(Amount in Rs.)

Particulars	Notes	As at	
		March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non Current Assets</b>			
(a) Property, Plant and Equipment	3	-	-
(b) Other Intangible assets	4	-	-
(c) Intangible Assets under Development	4	-	-
(d) Non-current tax assets		1,84,763	1,84,763
(e) Financial Assets			
(i) Non-current Investment	5	35,82,00,000	35,00,00,000
		<b>35,83,84,763</b>	<b>35,01,84,763</b>
<b>Current Assets</b>			
(a) Financial Assets			
(i) Trade receivables		-	-
(ii) Cash and cash equivalents	6	7,48,581	6,94,919
(iii) Loans	7	2,54,65,440	2,17,50,440
(b) Other current assets		-	-
		<b>2,62,14,021</b>	<b>2,24,45,359</b>
<b>TOTAL</b>		<b>38,45,98,784</b>	<b>37,26,30,123</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	8	50,00,000	50,00,000
(b) Other Equity	9	1,44,20,321	1,54,78,904
		<b>1,94,20,321</b>	<b>2,04,78,904</b>
<b>LIABILITIES</b>			
<b>Non Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	10	25,02,00,446	29,13,00,446
		<b>25,02,00,446</b>	<b>29,13,00,446</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	11,40,83,917	5,99,76,773
(ii) Trade payables	12	8,94,000	8,53,900
(b) Other Current Liabilities	13	100	20,100
		<b>11,49,78,017</b>	<b>6,08,50,773</b>
Significant accounting policies	2		
<b>TOTAL</b>		<b>38,45,98,784</b>	<b>37,26,30,123</b>

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

As per our report of even date

For Bansi Khandelwal & Co.  
 Chartered Accountants  
 Firm Registration No. 145850W

*T.S.*

Bansi Khandelwal  
 Proprietor  
 Membership No.: 138205  
 Date : 21st May 2021  
 Place : Navi Mumbai



For and on behalf of the Board of Directors

*Parekh*

Faresh Zaveri  
 Director  
 DIN No. 01240552  
 Place : Singapore

*Amit*

Amit Sheth  
 Director  
 DIN No. 00122623  
 Place : Navi Mumbai



**Aurofidel Outsourcing Limited**

CIN No. U72900MH2008PLC179836

Statement of Profit and Loss for the year ended 31 March 2021

Particulars	Notes	(Amount in Rs.)	
		For the year ended March 31,2021	For the year ended March 31,2020
Revenue from operations	14	-	-
Other incomes	15	5,900	2,04,94,295
<b>Total Revenue</b>		<b>5,900</b>	<b>2,04,94,295</b>
<b>Expenses:</b>			
Employee benefits expenses		-	-
Finance cost	16	8,23,544	1,82,44,892
Depreciation and amortization expenses	4	-	-
Other Expenses	17	2,40,939	2,47,35,302
<b>Total Expenses</b>		<b>10,64,483</b>	<b>4,29,80,194</b>
<b>Profit/(loss) before tax</b>		<b>(10,58,583)</b>	<b>(2,24,85,899)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit/(loss) after tax</b>		<b>(10,58,583)</b>	<b>(2,24,85,899)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(10,58,583)</b>	<b>(2,24,85,899)</b>
<b>Earning per share on Equity Shares of Rs. 10 each</b>			
- Basic and Diluted	19	(2.12)	(44.97)
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Banshi Khandelwal & Co.  
Chartered Accountants  
Firm Registration No. 145850W

Banshi Khandelwal  
Proprietor  
Membership No.: 138205  
Date : 21st May 2021  
Place : Navi Mumbai



For and on behalf of the Board of Directors

Paresh Zaveri  
Director  
DIN No. 01240552  
Place : Singapore

Amit Sheth  
Director  
DIN No. 00122623  
Place : Navi Mumbai

Aurofidel Outsourcing Limited  
Statement of Changes in Equity for the year ended 31 March 2021

Note A :- Equity share Capital

Particulars	Note	Amount in Rs.
As at 31st March 2019		50,00,000
Changes in Equity share capital during the year		-
As at 31st March 2020		50,00,000
Changes in Equity share capital during the year	8	-
As at 31 St March 2021		50,00,000

Note B : Other Equity

Particulars	Reserves & Surplus		Equity Component of Financial Instruments	Total Other Equity
	General Reserve/ Securities Premium Reserve	Retained Earnings		
Balance as at March 31, 2019				
Profit for the year		(5,07,34,752)	-	(5,07,34,752)
Transfer from Financial Instrument		(2,24,85,899)	-	(2,24,85,899)
Balance as at March 31, 2020		-	8,86,99,554	8,86,99,554
Profit for the year	-	(7,32,20,650)	8,86,99,554	1,54,78,904
Transfer from Financial Instrument		(10,58,583)	-	(10,58,583)
Balance as at March 31, 2021	-	(7,42,79,233)	8,86,99,554	1,44,20,321

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For Bansi Khandelwal & Co.  
Chartered Accountants  
Firm Registration No. 145850W

*[Signature]*

Bansi Khandelwal  
Proprietor  
Membership No.: 138205  
Date : 21st May 2021  
Place : Navi Mumbai



For and on behalf of the Board of Directors

*[Signature]*

Paresh Zaveri  
Director  
DIN No. 01240552  
Place : Singapore

*[Signature]*

Amit Sheth  
Director  
DIN No. 00122623  
Place : Navi Mumbai

Particulars	(Amount in Rs.)	
	For the year ended March 30, 2021	For the year ended March 31, 2020
<b>A. Cash Flow From Operating Activities :</b>		
Net profit before tax		
Adjustments for :	(10,58,583)	(2,24,85,899)
Sundry balance write off		
Interest Income	-	2,45,19,654
Interest Expenses	-	(2,04,94,295)
Operating Cash Flow Before Changes in Working Capital	8,23,544	1,82,44,892
Changes in current assets and liabilities	(2,35,039)	(2,15,648)
Decrease/(Increase) in Trade Receivables and Other advances	(1,19,14,999)	7,43,27,400
(Decrease)/Increase in Trade payables, Other Liabilities	20,100	(99,89,421)
Cash Generated/(Used in) From Operations	(1,21,29,938)	6,41,22,332
Payment of Taxes (Net of Refund)	-	-
Net Cash Flow Generated/(Used in) From Operating Activities (A)	(1,21,29,938)	6,41,22,332
<b>B. Cash Flow From Investing Activities :</b>		
Interest income		
Net Cash Flow Generated/(Used in) From Investment Activities (B)	-	2,04,94,295
		2,04,94,295
<b>C. Cash Flow From Financing Activities :</b>		
Processeds/(Repayment) of Borrowings (net)	1,30,07,144	(6,67,76,630)
Interest Paid	(8,23,544)	(1,82,44,892)
Net Cash From Generated/(Used in) from Financing Activities (C)	1,21,83,600	(8,50,21,522)
Net Increase In Cash Or Cash Equivalents (A+B+C)	53,662	(4,04,895)
Cash And Cash Equivalents At Beginning Of Year	6,94,919	10,99,814
Cash And Cash Equivalents As At the End Of Year	7,48,581	6,94,919

Notes:

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

b) Statement of Cash Flow has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7 "Statement of Cash Flows".

As per our report of even date

For Bansil Khandelwal & Co  
Chartered Accountants  
Firm Registration No. 145850W

For and on behalf of the Board of Directors

Bansil Khandelwal  
Proprietor  
Membership No.: 138205  
Date : 21st May 2021  
Place : Navi Mumbai



Paresh Zaveri  
Director  
DIN No. 01240552  
Place : Singapore

Amit Sheth  
Director  
DIN No. 00122623  
Place : Navi Mumbai

## Aurofidel Outsourcing Limited

### Notes to the financial statements for the year ended March 31, 2021

#### 1. Company overview

Aurofidel Outsourcing Limited is incorporated in Maharashtra state and mainly in outsourcing business.

#### 2. Significant Accounting Policies

The Company has applied the following accounting policies to all periods presented in the financial statements

##### a) Basis of preparation of financial statements

###### i) Accounting convention

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act"), read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards Amendment) Rules 2016 and Other provisions of the Act to the extent notified and applicable as well as applicable guidance note and pronouncements of the Institute of Chartered Accountants of India (ICAI).

###### ii) Basis of preparation & presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out under Ind AS and in the Schedule III to the Act. Based on the nature of the services and their realisation in Cash and Cash Equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency. All amounts have been rounded off to the nearest lakhs unless otherwise indicated

###### iii) Key accounting judgement, estimates and assumptions

The preparation of the financial statements required the management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revision to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.



## Aurofidel Outsourcing Limited

### Notes to the financial statements for the year ended March 31, 2021

#### iv) Foreign currency transaction

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transactions. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the year is recognized in the Statement of Profit and Loss.

Monetary assets and liabilities in foreign currency which are outstanding as at the year-end, are translated at the year-end at the closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss in the year in which they arise.

Non-monetary foreign currency items are carried at cost.

#### b) Revenue Recognition

Revenue from Business Process Outsourcing Operations arises from both time based and unit price client contracts. Such revenue is recognized on completion of the related services and is billable in accordance with the specific terms of contracts with clients.

#### c) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

#### i) Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and

contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



## Aurofidel Outsourcing Limited

### Notes to the financial statements for the year ended March 31, 2021

#### iii) **Financial assets at fair value through profit or loss (FVTPL)**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts.

#### iv) **Investment in subsidiaries, associates and joint venture**

The Company has accounted for its investments in subsidiaries, associates and joint venture at cost.

#### v) **Financial liabilities**

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### vi) **Derecognition of financial instruments**

The Company derecognizes a financial liability (or a part of a financial liability) from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### d) **Provisions**

The Company creates a provision where there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent Assets are disclosed only when an inflow of economic benefit is probable.

#### e) **Income Tax**

##### i) **Current Income Tax**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

##### ii) **Deferred Tax:**

Deferred tax is provided using the balance sheet approach on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible differences, and the carry forward of unused tax credits and unused tax losses can be utilised.



## Aurofidel Outsourcing Limited

### Notes to the financial statements for the year ended March 31, 2021

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognised in the Statement of Profit and Loss except to items recognised directly in Other Comprehensive income or equity, in which case the deferred tax is recognised in Other Comprehensive Income and equity respectively.

#### f) Earnings per share

In determining Earnings per Share, the Company considers net profit after tax and includes post tax effect of any exceptional item. Number of shares used in computing basic earnings per share is the weighted average number of the shares, excluding the shares owned by the Trust, outstanding during the period. Dilutive earning per share is computed and disclosed after adjusting effect of all dilutive potential equity shares, if any except when result will be anti - dilutive. Dilutive potential equity Shares are deemed converted as at the beginning of the period, unless issued at a later date.

#### a) Useful economic lives and impairment of other assets

##### a) Property, Plant and Equipment

Property plant and equipment (PPE) are stated at cost less accumulated depreciation and impairment losses if any. Cost includes expenditure directly attributable to the acquisition of the asset and cost incurred for bringing the asset to its present location and condition for its intended use.

Gains or losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and are stated at cost.

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013 with the exception of the following:

- i) Computers is depreciated in 6 years on based on technical evaluation of useful life done by the management.
- ii) Leasehold improvements are amortized over the period of lease term or useful life, whichever is lower.
- iii) Individual assets costing up to Rupees five thousand are depreciated in full in the period of purchase.

The residual values, useful lives and method of depreciation of PPE is reviewed at each financial year end and adjusted prospectively, if appropriate.



## **Aurofidel Outsourcing Limited**

### **Notes to the financial statements for the year ended March 31, 2021**

#### **b) Other Intangible assets**

Separately purchased intangible assets are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed as either finite or indefinite. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues, if not, it is impaired or changed prospectively basis revised estimates.

Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. Computer Software is amortised over a period of 5 years or over license period, whichever is lower.





**Aurofidel Outsourcing Limited**

**Notes to the financial statements for the year ended March 31, 2021**

(Amount in Rs.)

**Note 3. Property, Plant and Equipments**

Particulars	Computers	Furniture and fixtures	Office Equipments	Air Conditioner	Leasehold improvements	Total
<b>Gross Carrying value</b>						
Balance as at 31 March 2019	95,46,942	20,32,663	1,17,57,530	34,30,088	19,83,064	2,87,50,287
Additions/ (deduction)	-	-	-	-	-	-
Balance as at 31 March 2020	95,46,942	20,32,663	1,17,57,530	34,30,088	19,83,064	2,87,50,287
Additions/ (deduction)	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>95,46,942</b>	<b>20,32,663</b>	<b>1,17,57,530</b>	<b>34,30,088</b>	<b>19,83,064</b>	<b>2,87,50,287</b>
<b>Accumulated Depreciation</b>						
Balance as at 31 March 2019	95,46,942	20,32,663	1,17,57,530	34,30,088	19,83,064	2,87,50,287
Depreciation for the year	-	-	-	-	-	-
Balance as at 31 March 2020	95,46,942	20,32,663	1,17,57,530	34,30,088	19,83,064	2,87,50,287
Depreciation for the year	-	-	-	-	-	-
<b>Balance as at 31 March 2021</b>	<b>95,46,942</b>	<b>20,32,663</b>	<b>1,17,57,530</b>	<b>34,30,088</b>	<b>19,83,064</b>	<b>2,87,50,287</b>
<b>Net block value</b>						
As at 31 March 2020	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 4. Other Intangible Assets and Intangible Assets Under Development**

Particulars	Computers Software	Intangible Assets Under Development
<b>Gross Carrying value</b>		
Balance as at 31 March 2019	1,52,44,550	54,82,519
Additions/ (deduction)	-	-54,82,519
Balance as at 31 March 2020	1,52,44,550	-
Additions/ (deduction)	-	-
<b>Balance as at 31 March 2021</b>	<b>1,52,44,550</b>	<b>-</b>
<b>Accumulated Depreciation</b>		
Balance as at 31 March 2019	1,52,44,550	-
Depreciation for the year	-	-
Balance as at 31 March 2020	1,52,44,550	-
Depreciation for the year	-	-
<b>Balance as at 31 March 2021</b>	<b>1,52,44,550</b>	<b>-</b>
<b>Net block value</b>		
As at 31 March 2020	-	-
<b>As at 31 March 2021</b>	<b>-</b>	<b>-</b>



**Aurofidel Outsourcing Limited**

Notes to the financial statements for the year ended March 31, 2021

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Note 5 :- Non Current Investment (unquoted and fully paid up)</b>  3,58,20,000 units of Rs 10 each (31 March 2020 :3,50,00,000) optionally convertible Debentures (OCDs) in Auroscient Outsourcing Limited	<b>35,82,00,000</b>	35,00,00,000
<b>Total</b>	<b>35,82,00,000</b>	35,00,00,000
<b>Note 6 :- Cash And Cash Equivalents</b>  Balances with banks (i) In current accounts Cash on hand	<b>1,98,121</b> <b>5,50,460</b>	1,44,919 5,50,000
<b>Total</b>	<b>7,48,581</b>	6,94,919
<b>Note 7 :- Loans (Current)</b>  Loans to Others Loan to Group Cos.	<b>2,14,59,501</b> <b>40,05,939</b>	1,80,39,501 37,10,939
<b>Total</b>	<b>2,54,65,440</b>	2,17,50,440



**Aurofidel Outsourcing Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

**Note 8 :- Equity**

(Amount in Rs.)

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Authorised Capital</b> 50,00,000 (31 March 2020 : 50,00,000) Equity Shares of Rs.10 each		
	5,00,00,000	5,00,00,000
<b>Total</b>	<b>5,00,00,000</b>	<b>5,00,00,000</b>
<b>Issued, Subscribed and Paid up</b> 5,00,000 (31 March 2020 : 5,00,000) Equity Shares of Rs.10 each , fully paid-up		
	50,00,000	50,00,000
<b>Total</b>	<b>50,00,000</b>	<b>50,00,000</b>

**Note 8 (a) :-** The company has only one class of equity with a par value of Rs. 10/- per share. Each holder of equity shares is entitle to one vote per share.

**Note 8 (b) :-** Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of shares held	% holding	No. of shares held	% holding
<b>Equity shares with voting rights</b> Aurionpro Solutions Limited	5,00,000	100%	5,00,000	100%



**Aurofidel Outsourcing Limited**

Notes to the financial statements for the year ended March 31, 2021

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Note 9: Other Equity</b>		
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(7,32,20,650)	(5,07,34,752)
Add: Profit / (Loss) for the year	(10,58,583)	(2,24,85,899)
	(7,42,79,233)	(7,32,20,650)
Equity Component of Financial Instruments	8,86,99,554	8,86,99,554
<b>Total</b>	<b>1,44,20,321</b>	<b>1,54,78,904</b>
<b>Note 10 :- Non current Borrowings</b>		
<b>Unsecured</b>		
(i) Redeemable optionally convertible debentures (OCDs)	25,02,00,446	29,13,00,446
<b>Total</b>	<b>25,02,00,446</b>	<b>29,13,00,446</b>
<b>Note 10.1 :-</b>		
Unsecured redeemable optionally convertible fixed rate debentures (privately placed):		
Face value per debenture (in INR)	10	10
Debenture Units	33890000	38000000
Interest Rate	0% fixed coupon rate	0% fixed coupon rate
Date of allotment	31-12-2020 31-03-2020	31-03-2020
Terms of repayment for debentures	Redeemable on or before completion of 10 years of their issuance at par and no premium	
<b>Note 11 :- Borrowings</b>		
<b>Unsecured</b>		
(i) Loans from Holding Company	43,85,917	4,85,28,773
(ii) Loans from Directors	15,98,000	14,48,000
(iii) Loans from Fellow Subsidiaries	10,31,00,000	-
(iv) Loans from others	50,00,000	1,00,00,000
<b>Total</b>	<b>11,40,83,917</b>	<b>5,99,76,773</b>
<b>Note 12 :- Trade Payable</b>		
- Due to Micro and Small Enterprises	-	-
- Due to Others	8,94,000	8,53,900
<b>Total</b>	<b>8,94,000</b>	<b>8,53,900</b>
<b>Note 13 :- Other Current Liabilities</b>		
Payable to tax authorities	100	20,100
<b>Total</b>	<b>100</b>	<b>20,100</b>



Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2021

(Amount in Rs.)

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Note 14 :- Revenue from Operations</b>		
Data Processing Income	-	-
<b>Total</b>	-	-
<b>Note 15 :- Other Incomes</b>		
Interest Income on ICD	-	2,04,94,295
Credit Balance write back	5,900	-
<b>Total</b>	5,900	2,04,94,295
<b>Note 16 :- Finance Costs</b>		
Interest on Borrowings	8,23,544	1,82,44,892
<b>Total</b>	8,23,544	1,82,44,892
<b>Note 17 :- Other Expenses</b>		
Bank Charges	1,239	1,198
Rates & Taxes	39,700	14,450
Auditors' Remuneration	2,00,000	2,00,000
Miscellaneous Expenses	-	2,45,19,654
<b>Total</b>	2,40,939	2,47,35,302



**Note: 18 Contingent Liability**

Particulars	As at March 31, 2021	As at March 31, 2020
Claims against the Company not acknowledge as debt	-	-
Income tax Matters	-	-

**Note: 19 Earnings per share (EPS)**

Particulars	(Amount in Rs.)	
	2020-21	2019-20
Profit/(Loss) attributable to Equity Shareholders (used as numerator for calculating Basic EPS)	(10,58,583)	(2,24,85,899)
Weighted average number of Basic and Diluted Equity Shares (used as denominator for calculating Basic EPS)	5,00,000	5,00,000
Basic and Diluted Earnings per Share of Rs. 10 each	(2.12)	(44.97)

**Note: 20 Segment reporting**

The Company has only one reportable business segment, which is rendering of data processing and marketing services. Accordingly, the amounts appearing in the financial statements relate to the Company's single business segment.

**Note: 21 Financial Instruments**

**(i) Valuation**

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale.

The fair value of investment in quoted Equity Shares, Bonds, Government Securities, Treasury Bills and Mutual Funds is measured at quoted price or NAV.

The fair value of the remaining financial instruments is determined using discounted cash flow analysis.

The financial instruments are categorized into three levels based on the inputs used to arrive at fair value measurements as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The carrying values of the financial instruments by categories were as follows:

(Amount in Rs.)

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Level of input used in	Carrying Amount	Level of input used in
		Level 1,2,3		Level 1,2,3
<b>Financial Assets</b>				
<b>At Amortised Cost</b>				
(i) Cash and Bank Balance	7,48,581	-	6,94,919	-
(ii) Loans	2,54,65,440	-	2,17,50,440	-
(iii) Investments	35,82,00,000	-	35,00,00,000	-
<b>At FVTPL</b>	<b>Nil</b>	<b>-</b>	<b>Nil</b>	<b>-</b>
<b>Financial Liabilities</b>				
<b>At Amortised Cost</b>				
(i) Borrowings	36,42,84,363	-	35,12,77,219	-
(ii) Trade payables	8,94,000	-	8,53,900	-
<b>At FVTPL</b>	<b>Nil</b>	<b>-</b>	<b>Nil</b>	<b>-</b>

**(ii) Financial risk management**

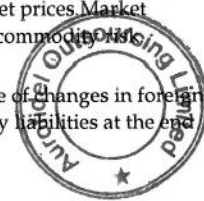
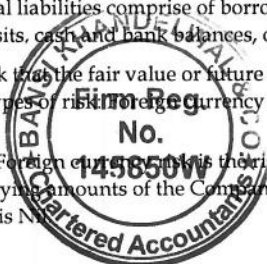
The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk.

The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

The Company's financial liabilities comprise of borrowings, trade payable and other liabilities to manage its operation and the financial assets include trade receivables, deposits, cash and bank balances, other receivables etc. arising from its operation.

(i) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risks, i.e. currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk.

Foreign currency risk: Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The carrying amounts of the Company's net foreign currency exposure denominated monetary assets and monetary liabilities at the end of the reporting period is Nil.



## Aurofidel Outsourcing Limited

Notes to the financial statements for the year ended March 31, 2021

### Interest Rate Risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates, in cases where the borrowings are measured at fair value through profit or loss. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

### Exposure to Interest Rate Risk

Interest rate risk of the Company arises from borrowings. The Company endeavor to adopt a policy of ensuring that maximum of its interest rate risk exposure is at fixed rate. The Company's interest-bearing financial instruments are reported as below:

	As at March 31,2021	As at March 31,2020
<b>Fixed Rate Instruments</b>		
Financial Assets	38,38,63,562	37,18,95,359
Financial Liabilities	36,42,84,363	35,12,77,219
<b>Variable Rate Instruments</b>		
Financial Assets	-	-
Financial Liabilities	-	-

### Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments : Since Variable-rate instruments is Nil, hence impact for the reporting period is Nil.

### Equity Price Risk

The Company is exposed to equity price risks arising from equity investments which is not material.

### Commodity Risk

The Company forecasts commodity prices and movements, accordingly The Company is advises the Procurement team on cover strategy. A robust planning and strategy ensure that Company's interests are protected despite 'volatility in commodity prices.

### Derivative financial instruments

The Company does not hold derivative financial instruments

The Company offsets financial asset and financial liability when it currently has a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis or realise the asset and settle the liability simultaneously.

### Liquidity risk

Liquidity risk refers to risk of financial distress or extra ordinary high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are overseen by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The tables below analyse the Company's financial liabilities into relevant maturities based on their contractual maturities for:

Particulars	As at	Less than 1 year	More than 1 year
	March 31, 2021		
(i) Borrowings	36,42,84,363	11,40,83,917	25,02,00,446
(ii) Trade payables	8,94,000	40,100	8,53,900

Particulars	As at	Less than 1 year	More than 1 year
	March 31, 2019		
(i) Borrowings	35,12,77,219	5,99,76,773	29,13,00,446
(ii) Trade payables	8,53,900	8,53,900	-



Notes to the financial statements for the year ended March 31, 2021

**Credit risk**

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the Company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

**Other financial assets**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and/or domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by Government and Quasi Government organizations and certificates of deposit which are funds deposited at a bank for a specified time period.

**Note: 22 Related Party Disclosure**

**i) List of Related Parties**

Name of Related Party	Relationship
1 Aurionpro Solutions Limited	Holding Company
2 Sena Systems India Pvt Ltd.	Fellow Subsidiary
3 Auroscient Outsourcing Limited	Other Related Party
4 Mr. Amit R. Sheth	
5 Mr. Paresh Zaveri	Director

**ii) Transaction with Related Parties & Outstanding Balance :**

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Interest Income		
Auroscient Outsourcing Limited	-	2,04,94,295
Interest Expense		
Aurionpro Solutions Limited	8,23,544	1,82,44,892
Loan & Advances receivable		
Auroscient Outsourcing Limited	40,05,939	37,10,939
Investment		
Auroscient Outsourcing Limited	35,82,00,000	35,00,00,000
Non current Borrowings & Other Equity		
Debenture		
Aurionpro Solutions Limited	33,89,00,000	38,00,00,000
Loan Payable		
Paresh Zaveri	15,98,000	14,48,000
Aurionpro Solutions Limited	43,85,917	4,85,28,773
Sena Systems India Pvt Ltd.	10,31,00,000	-

**Note: 23 Auditors Remuneration:**

Particulars	(Amount in Rs.)	
	2020-21	2019-20
Audit Fees	2,00,000	2,00,000

**Note: 24 Prior Period Comparative**

The previous year figure have been regrouped /restated to the extent possible to confirm to current year presentation.

**Note: 25 Authorisation of Financial Statements**

The Financial statements were approved by the Board of Directors on May 21, 2021

As per our report of even date.

For Bansi Khandelwal & Co.

Chartered Accountants

Firm Registration No. 145850W

Bansi Khandelwal

Proprietor

Membership No.: 138205

Date : 21st May 2021

Place : Navi Mumbai



For and on behalf of Board of Directors

Paresh Zaveri

Director

DIN No. 01240552

Place : Singapore

Amit Sheth

Director

DIN No. 00122623

Place : Navi Mumbai

