NOTES TO FINANCIAL ACCOUNTS 2017-18

1. **Corporate Information**
   Covidh Technologies Limited is a Public Company incorporated under the provisions of the Companies Act, 1956 having registered office at Plot 458, Road 19, Jubilee Hills, Hyderabad, Telangana. The Equity Shares of the Company are listed on Bombay Stock Exchange (BSE) in India. The company is engaged in IT/ITES.

2. **Basis of preparation**

2.1 Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ("The Act") and other relevant provisions of the Act under the historical cost convention on an accrual basis except for the following assets and liabilities which have been measured at fair value or revalued amount wherever applicable.

- Certain Financial Instruments - Fair Value
- Net defined benefit (asset)/liabilities - Fair Value of Plan asset less Fair value of defined benefit Obligation

These are the Companies' first financial Statements prepared in accordance with Ind AS, and hence, Ind AS 101, First-time Adoption of Ind AS has been applied.

For all periods up to and including the year ended 31 March 2017, the Company has prepared its Financial statements in accordance with accounting Standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014 ('Previous GAPP').

The Financials statements were authorized for issue in accordance with a resolution of the board of directors on May 30, 2018. Details of the Company's accounting policies are included in Note: 2.2

Ind AS optional exemptions
Deemed Cost:
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment's covered by Ind AS 16 Property, plant and equipment's as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and Investment property covered by Ind AS 40 Investment property. The Company has elected to measure all of its property, plant and equipment, intangible assets and investment property on the transition date at their previous GAAP carrying value.

Ind AS Mandatory exemptions
Estimates:
As entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initial accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

2.1.1 Functional and Presentation Currency

The financial statements are presented in Indian Rupees ('INR' or 'Rupees' or 'Rs') which is the functional currency for Company. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lacs.

2.1.2 Current versus non-current classification

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

2.1.3 An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

2.1.4 A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are treated as non-current.

2.1.5 Use of Estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions that effect the reported amounts of assets and liabilities (including contingent liabilities), income and expenses and accompanying disclosures. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Significant accounting judgements, estimates and assumptions used by the management are as below:

a. Useful lives of Investment property, Property Plant and Equipment and Intangible Assets.
b. Fair Value measurements.

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have significant risk resulting in a material adjustment within the next financial year are included in following notes:

NOTES TO FINANCIAL ACCOUNTS 2017-18

2.2 Significant Accounting Policies

The Accounting policies set out have below have been applied consistently to all periods presented in these financial statements and in preparing the opening Ind AS balance sheet at 01 April 2016 for the purpose of the transition to the Ind AS, unless otherwise indicated.

2.2.1 Revenue Recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured regardless of when the payment is being made.

The Company derives revenue primarily from Sale of IT/ITES Services and Hardware. Revenue is measured at the fair value of the consideration received or receivable, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of government.

However, Goods and Service Tax (GST) not received by the company on its own account, rather, it is collected on value added to the commodity by the seller on behalf of the government at the time of execution of sale. Accordingly, it is excluded from revenue.

Sale of goods:

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of goods. The Company collects Goods and Service Tax (GST) on behalf of the government and therefore, these are not economic benefits flowing to the Company, hence they are excluded from the revenue.

Associated and Dependent services:

Revenues from operation and dependent services are recognised on pro-rata over the period of the contract and when services are rendered. In such contracts, revenue is recognized with respect to the actual output achieved till date as a percentage of total contractual output. Any residual service unutilized by the customer is recognized as revenue on completion of the term.

Interest on bank deposits:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “Other Income” in the statement of profit and loss.

2.2.2 Grant Accounting:

Grants and subsidies from the Governments are recognized when there is reasonable assurance that

i. The Company will comply with the conditions attached to them, and
ii. The grant/subsidy will be received.

2.2.3 Taxes:

Current income tax: Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India where the Company operates and generates taxable income.

Deferred tax: Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future
- Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be Utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

In case of tax payable as Minimum Alternative Tax (‘MAT’) under the provisions of the Income Tax Act, 1961, the credit available under the Act is respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.2.4 Property, Plant and Equipment:

An item of property, plant and equipment is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to the costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Borrowing costs incurred during the period of construction is capitalized as part of cost of the qualifying asset. The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of profit and loss.

Depreciation and amortisation of property, plant and equipment and intangible assets:
Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost of property, plant and equipment. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

Depreciation on assets under construction commences only when the assets are ready for their intended use. Individual low cost assets (acquired for Rs. 5,000/- or less) are depreciated fully in the year of acquisition / purchase.

2.2.5 Intangible Assets:
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

2.2.6 Capital work-in-progress:
Projects under which tangible assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable borrowing costs.

2.2.7 Research and Development Costs (Product development)
Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets

2.2.8 Borrowing Costs:
Borrowing Costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset up to the date of capitalisation of such asset, is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.2.9 Inventories:
Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above the cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour and a proportion of manufacturing overheads based on normal operating capacity.

2.2.10 Segment Information:

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance; allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company

2.2.11 Provisions:

A provision is recognized when the company has a present obligation as a result of past events and it is probable that an out flow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates

2.2.12 Employee Benefits:

Employee benefits include provident fund, employee state Insurance scheme, Gratuity and compensated absences.

2.2.13 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.

a. Financial assets

Initial recognition and measurement-

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchase or sale of financial asset that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement - For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit and loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Equity investments

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

b. Financial liabilities

Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans, borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

NOTES TO FINANCIAL ACCOUNTS 2017-18

2.2.16 Dividend Declared:
The Company recognizes a liability to make cash distributions to equity holders when the distribution is Authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.2.17 Foreign Currency Transactions:
All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment/ realisation is recorded to the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year- end. The net loss or gain arising out of such conversion is dealt with in the Statement of Profit and Loss.

2.2.18 Earnings per share
Basic earnings per share are computed by dividing the net profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company after adjusting impact of dilution shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

2.2.19 Contingent liabilities and Assets:
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 Company or a present obligation that is not recognized because it is not probable that an out flow 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 Company does not recognize a contingent liability but discloses its existence in the financial statements.

2.2.20 Subsequent Events:
There are no significant events that occurred after the balance sheet date.

As per our report of even date
For M M REDDY & Co
Chartered Accountants
F.R.N:010371S

Sd/-
M Madhusudhana Reddy
Partner
M. No. 213077

For and on behalf of the Board of Directors
COVIDH TECHNOLOGIES LIMITED

Sd-
A Prabhakara Rao
Director
DIN: 02263908

Sd/-
G Suresh Babu
Director
DIN: 01961140

Sd/-
P Venkateshwar Reddy
CFO

Place: Hyderabad
Date: 30-05-2018

COVIDH TECHNOLOGIES LIMITED
Notes to accounts

NOTE NO. 3: PROPERTY, PLANT AND EQUIPMENT:

(Amount in Rs.)

	Computers	Furniture and Fixtures	Plant & Machinery	Vehicles	Total
Deemed cost (gross carrying amount)					
Balance at 1 April 2016	50,42,308	13,93,104	14,33,326	30,69,655	1,09,38,393
Additions	2,46,619	8,69,100	4,83,581	-	15,99,300
Disposals	-	-	-		-
Balance at 31 March 2017	**52,88,927**	**22,62,204**	**19,16,907**	**30,69,655**	**1,25,37,693**
Additions	15,62,750	15,000	-	-	15,77,750
Disposals	-	-	-	-	-
Balance at 31 March 2018	**68,51,677**	**22,77,204**	**19,16,907**	**30,69,655**	**1,41,15,443**
Accumulated depreciation at 1 April 2016	42,41,408	11,52,277	5,79,631	1,47,081	61,20,397
Depreciation for the year	6,10,661	3,73,407	1,57,177	9,12,720	20,53,965
Balance at 31 March 2017	**48,52,069**	**15,25,684**	**7,36,808**	**10,59,801**	**81,74,362**
Depreciation for the year	2,86,737	3,38,507	2,13,598	6,27,677	**14,66,519**
Balance at 31 March 2018	**51,38,806**	**18,64,191**	**9,50,406**	**16,87,478**	**96,40,881**
Carrying amounts(net)					
At 1st April 2016	**8,00,900**	**2,40,827**	**8,53,695**	**29,22,574**	**48,17,996**
At 31st March 2017	**4,36,858**	**7,36,520**	**11,80,099**	**20,09,854**	**43,63,331**
At 31st March 2018	**17,12,871**	**4,13,013**	**9,66,501**	**13,82,177**	**44,74,562**

COVIDH TECHNOLOGIES LIMITED
Notes to accounts

NOTE NO 4 Deferred tax liabilities (Net)

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Opening Balance	**1,156**	**2,45,551**	**3,31,169**
Provision for Deferred Tax Liabilities	(39,501)	(2,44,395)	- 85,618
	(38,345)	**1,156**	**2,45,551**

NOTE NO 5 Trade receivables

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment:			
Unsecured & considered good	-	-	4,92,462
(b) Outstanding for a period not exceeding six months			
Unsecured, considered good	14,10,32,156	10,21,67,015	8,52,82,207
	14,10,32,156	**10,21,67,015**	**8,57,74,669**

NOTE NO 6 CASH AND CASH EQUIVALENTS:

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
(a) Balance with banks	25,242	18,706	22,380
(b) Cheques in Hand	-	-	-
(c) Cash on Hand	45,739	1,04,453	3,20,750
	70,981	**1,23,159**	**3,43,129**

NOTE NO 7 Short Term Loans and advances

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Deposits, Loans and Advances	1,64,75,446	2,20,68,752	2,38,76,353
Less: Provision for Non-Recoverable Deposits	-	-	25,63,828
Net Deposits, Loans and Advances	1,64,75,446	2,20,68,752	2,13,12,525
Recoverable from Govt. Agencies	34,634	34,634	34,634
MAT Credit Entitlement	1,48,516	2,99,433	3,64,973
	1,66,58,596	**2,24,02,819**	**2,17,12,132**

COVIDH TECHNOLOGIES LIMITED
Notes to accounts

NOTE NO: 8: EQUITY SHARE CAPITAL:

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Authorised						
Equity Shares of Rs. 10/- each	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000	1,10,00,000	11,00,00,000
Issued, Subscribed and Paid up						
Equity Shares of Rs. 10/- each fully paid up	1,06,00,000.00	10,60,00,000	1,06,00,000.00	10,60,00,000	1,06,00,000.00	10,60,00,000
(Refer foot note (a) to (c) below)						
Total	**1,06,00,000**	**10,60,00,000**	**1,06,00,000**	**10,60,00,000**	**1,06,00,000**	**10,60,00,000**

Foot note:

(a) Reconciliation of the number of shares outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016:

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	Number	Amount in Rs.	Number	Rs. In lakhs	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	1,06,00,000	10,60,00,000	1,06,00,000	10,60,00,000	1,06,00,000	10,60,00,000
Addition:	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	1,06,00,000	10,60,00,000	1,06,00,000	10,60,00,000	1,06,00,000	10,60,00,000

(b) Details of Shareholders holding more than 5 % shares:

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 A Prabhakara Rao	12,66,612	11.95%	12,66,612	11.95%	15,75,360	14.86%
2 Ch Nagavardhani	9,24,250	8.72%	9,24,250	8.72%	9,24,250	8.72%

(c) Terms and rights attached to the equity shares:
The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

COVIDH TECHNOLOGIES LIMITED
Statement of Changes in Equity
For the year ended 31 March 2018

a. Equity share capital

(Amount in Rs.)

		Amount
	Balance as at the 1 April 2016	**10,60,00,000**
	Changes in equity share capital during 2016-17	-
	Balance as at the 31 March 2017	**10,60,00,000**
	Changes in equity share capital during 2017-18	-
	Balance as at the 31 March 2018	**10,60,00,000**

b. Other equity

(Amount in Rs.)

	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
	General Reserve	Retained earnings	Others	
Balance at 1 April 2016	**10,00,000**	**(10,19,75,760)**	**-**	**(10,09,75,760)**
Total comprehensive income for the year ended 31 March 2017				
Profit or loss	-	49,127	-	**49,127**
Other comprehensive income(net of tax)		-	-	-
Total comprehensive income	**-**	**49,127**	**-**	**49,127**
Transactions with owners in their capacity as owners directly in equity	-	-	-	-
Balance at 31 March 2017	**10,00,000**	**(10,19,26,633)**	**-**	**(10,09,26,633)**
Total comprehensive income for the year ended 31 March 2018				
Profit or loss		3,82,919	-	**3,82,919**
Other comprehensive income(net of tax)		-	-	-
Total comprehensive income	**-**	**3,82,919**	**-**	**3,82,919**
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 31 March 2018	**10,00,000**	**(10,15,43,714)**	**-**	**(10,05,43,714)**

As per our report of even date
For M M REDDY & Co
Chartered Accountants
F.R.N:010371S

For and on behalf of the Board of Directors
COVIDH TECHNOLOGIES LIMITED

Sd/-
M.Madhusudhana Reddy
Partner
M. No. 213077

Sd/-
A Prabhakara Rao
Director
DIN: 02263908

Sd/-
G Suresh Babu
Director
DIN: 01961140

Sd/-
P Venkateshwar Reddy
CFO

Place: Hyderabad
Date: 30-05-2018

NOTE NO 9 Reserves and Surplus

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
(a) Securities Premium:	-	-	-
(b) General Reserve:	10,00,000	10,00,000	10,00,000
(c) Capital Reserve - Forfeiture of shares	-	-	-
(d) Retained earnings:			
Opening balance	(10,19,26,633)	(10,19,75,760)	2,34,40,606
(+) Net profit during the year	3,82,919	49,127	(12,54,16,366)
Closing balance	**(10,15,43,714)**	**(10,19,26,633)**	**(10,19,75,760)**
(e) Other Comprehensive income:	-	-	-
Total (a+b+c)	**-10,05,43,714**	**-10,09,26,633**	**-10,09,75,760**

NOTE NO 10 Long Term Borrowings

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Unsecured Loans form Directors & Related Parties	5,55,10,000	5,07,73,820	4,28,39,712
Vehcile Loan from Volkswagen Finance	19,38,028	22,29,297	25,85,701.0
	5,74,48,028	**5,30,03,117**	**4,54,25,413**

NOTE NO 11 Short Term Borrowings

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Loans repayable on demand			
Cash Credit from Andhra Bank, Cherlapally Branch (secured by inventories & receivables and guaranteed by directors and others)	1,30,00,000	1,11,08,423	1,11,82,967
Raw Material Assistance Loan from NSIC	45,00,000	41,89,171	49,08,171
	1,75,00,000	**1,52,97,594**	**1,60,91,138**

NOTE NO 12 Trade Payables

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Dues to Micro, Small and Medium Enterprises			
Dues to others	6,16,54,824	3,17,68,074	2,77,62,067
	6,16,54,824	**3,17,68,074**	**2,77,62,067**

NOTE NO 13 OTHER CURRENT LIABILITIES:

PARTICULARS	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Advances from customers	33,00,000	35,94,000	35,94,000
Other amounts payable	24,13,864	61,06,692	9,20,836
	57,13,864	**97,00,692**	**45,14,836**

NOTE NO 14 Short Term Provisions

PARTICULARS	As at March 31, 2018 As at March 31, 2018	As at March 31, 2017 Amount in Rs.	As at April 1st, 2016 Amount in Rs.
Provisions and Outstanding Expenses	1,45,01,638	1,42,12,324	1,35,84,681
	1,45,01,638	**1,42,12,324**	**1,35,84,681**

COVIDH TECHNOLOGIES LIMITED
Notes to accounts
NOTE NC 15 Operating Expenses

PARTICULARS	Year ended March 31, 2018 Amount in Rs.	Year ended March 31, 2017 Amount in Rs.
Opening Stock	-	-
Add: Material Purchases	28,20,40,425	19,79,70,756
Less: Closing Stock	-	-
Material Consumed	**28,20,40,425**	**19,79,70,756**
Salaries and Allowances	13,20,403	54,67,864
	28,33,60,828	**20,34,38,620**

NOTE NC 16 Administrative Expenses

PARTICULARS	Year ended March 31, 2018 Amount in Rs.	Year ended March 31, 2017 Amount in Rs.
Advertisement Expenses	22,445	74,956
Auditors Remuneration	2,95,000	1,72,500
Board Meeting Expenses	2,675	1,350
Books and Periodicals	2,760	5,980
Business Promotion Expenses	-	1,51,459
Communication expenses	20,898	1,46,256
Consultancy and Professional Charges	50,000	9,200
Custodian Charges	1,25,630	99,975
Directors' Sitting Fee	50,000	35,000
Directors' Remuneration	-	18,00,000
General Expenses	68,199	5,77,101
Listing Expenses	2,50,000	2,29,000
Filling Fee	6,300	2,41,802
Office Maintenance	30,179	1,59,214
Office rent	1,08,000	11,77,200
Power and Fuel	50,897	1,99,607
Printing and Stationary	12,820	61,404
RTA Fee	81,900	-
Repairs and Maintenance	29,863	2,62,148
Travelling and Conveyance	15,966	2,63,774
	12,23,532	**56,67,926**

NOTE NC 17 Finance Cost

PARTICULARS	Year ended March 31, 2018 As at March 31, 201	Year ended March 31, 2017 Amount in Rs.
Interest on cash Credit	14,64,812	14,93,406
Interest on Vehicle Loans	1,74,474	2,19,659
Interest on RMA Loan	7,77,500	-
Loan Processng Fee	2,68,822	2,81,019
Bank Charges	7,405	47,244
	26,93,013	**20,41,328**