

## Notes Forming parts of Financial Statements

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. CORPORATE INFORMATION

The Company was incorporated on 27th February 1985. The registered office of the Company is located at Flat No. 901 B, Devika Tower 6, Nehru Place, New Delhi – 110 019. The corporate office of the Company is located at 610/611, Nirmal Galaxy Avior, L.B.S Road, Near Johnson & Johnson, Mulund (West), Mumbai - 400 080. The Principal activity of the Company is to carry on business of trading of Computer Hardware and Software.

#### B. BASIS OF PREPARATION

##### B.1 Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis, the provisions of the Companies Act, 2013, (“the Act”) (to the extent notified) and the guidelines issued by the Securities Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant amendment rules issued thereafter. The Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards, wef April 1, 2017 as the transition date. The transition was carried out from Indian Accounting Principles Generally Accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year-end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year-end figures reported in this statement.

##### B.2 Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

##### B.3 Going Concern Assumption

The validity of the going concern assumption on which the financial statements are prepared depends on the continuance of the ability of the Company to generate sufficient cash flows from their operations.

##### B.4 Functional currency & presentation currency:

The financial statement are presented in Indian Rupees (INR) which is the functional and presentation currency of the Company and all values are rounded to the lakhs with two decimals, except where otherwise indicated.

##### B.5 Measurement of fair values:

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

##### B.6 Property Plant and Equipment

The Company does not own any Property, Plant and Equipment.

##### B.7 Financial Instruments

###### Trade Receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortized cost net of any

expected credit losses. Loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall based on the management decision.

During the financial year 2019-20, there were no trade receivables as the company did not have any operations.

#### **Impairment of Financial Assets**

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Company applies the expected credit loss model for recognizing impairment loss on financial assets i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the company expects to receive.

#### **De-recognition of Financial Assets**

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Statement of Profit and Loss.

### **B.8 Inventories**

There were not Inventories as on 31<sup>st</sup> March 2020.

### **B.9 Provisions**

The Company recognizes a provision when there is a present obligation to transfer economic benefits as a result of past events, it is probable (more likely than not) that such a transfer will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable. Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

### **B.10 Revenue recognition**

Revenue is recognized 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.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Goods & Service Tax (GST) is tax collected on value added to the Commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. There has been no operations during the year and hence no income has been recognized from Operating Activities

### **B.11 Employee Benefits**

Short -Term Employees benefits

A liability is recognized for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for the service.

### **B.12 Related Party Transactions**

Following are details of transactions with related parties. Relation with Company denoted in *italics in bracket*:

#### **A) LOANS GIVEN BY COMPANY TO RELATED PARTIES**

Mr. C. L. Agarwal (KMP)

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of year	2,74,00,000	(3,00,000)
Repayment Received by Company during the year	(2,52,00,000)	(15,49,500)
Given by Company during the year	NIL	2,92,49,500
Balance as at end of year	22,00,000	2,74,00,000

**B) LOANS RECEIVED BY COMPANY FROM RELATED PARTIES**

a) Mr. Jeet Rajen Shah (Director)

During FY 2019-20, the Company received unsecured loan from Mr. Jeet Rajen Shah. Following are details:

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of year	NIL	NIL
Loan Received by Company during the year	1,11,800	NIL
Loan Repaid by Company during the year	(NIL)	NIL
Balance as at end of year	1,11,800	NIL

b) M/s. Micro Logisitcs (India) Pvt Ltd (Holding Company)

During FY 2019-20, the Company received unsecured loan from M/s. Micro Logistics (India) Pvt Ltd. Following are details:

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Balance at beginning of year	NIL	NIL
Loan Received by Company during the year	9,29,800	NIL
Loan Repaid by Company during the year	(NIL)	NIL
Balance as at end of year	9,29,800	NIL

**C) RENT EXPENSE AND PAYABLE TO RELATED PARTIES**

Following are details of rent expense:

Name	Relation	Year ended 31-Mar-20	Year ended 31-Mar-19
S.J. Logistics (India) Ltd	<i>(Sister Concern of Holding Company)</i>	1,28,069	NIL
Mr. C.L. Agarwal	<i>(KMP)</i>	NIL	30,000

Following are details of rent payable:

Name	Relation	Year ended 31-Mar-20	Year ended 31-Mar-19
S.J. Logistics (India) Ltd	<i>(Sister Concern of Holding Company)</i>	1,22,720	NIL

**D) INTEREST EXPENSE AND PAYABLE TO RELATED PARTIES**

**FY 2019-20**

The Company paid / accrued interest of Rs 22,362/- to M/s Micro Logisitcs (India) Pvt Ltd. *(Holding company)*.

Interest Payable of Rs 20,125/- is showing payable as on 31<sup>st</sup> March 2020.

**E) REMUNERATION EXPENSE AND PAYABLE TO RELATED PARTIES**

Following are details of remuneration expense:

Name	Relation	Year ended 31-Mar-20	Year ended 31-Mar-19
Mr. Ramaswamy N. Iyer	<i>(Director)</i>	2,55,000	NIL
Mr. Jeet R. Shah	<i>(CFO)</i>	2,55,000	NIL
Ms. Arpita Chowdhury	<i>(CS)</i>	2,61,804	NIL
Mr. C.L. Agarwal	<i>(KMP)</i>	NIL	40,000

Following are details of remuneration payable:

Name	Relation	Year ended 31-Mar-20	Year ended 31-Mar 19
Mr. Ramaswamy N. Iyer	<i>(Director)</i>	1,78,500	NIL
Mr. Jeet R. Shah	<i>(CFO)</i>	1,78,500	NIL
Ms. Arpita Chowdhury	<i>(CS)</i>	20,646	NIL

**B.13 Earning Per Share**

Earnings per share has been computed as under:

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
Net profit /(loss) after tax (Rs in lakhs)	(18.16)	(7.75)
Number of equity shares outstanding as at beginning of the year	10560000	10560000
Adjustment pursuant to sub division of shares during the year	NIL	NIL
Adjustment pursuant to issue of bonus shares during the year	NIL	NIL
Weighted average number of equity shares outstanding considered for calculating basic and diluted earnings per share	10560000	10560000
Earnings per share - basic and diluted - FV Rs 10/- per share (Rs)	(0.17)	(0.07)

**B.14 Loans & Advances**

Following are details of loans & advances given by Company and outstanding:

Particulars	Year ended 31-Mar-20	Year ended 31-Mar-19
a) Mr. C. L. Agarwal	22,00,000	2,74,00,000
b) M/s. CRA Infotech Pvt Ltd	5,88,10,000	5,94,00,000
c) M/s. Unicon Tie Up Pvt Ltd	2,50,00,000	NIL
<b>Total Loans</b>	<b>8,60,10,000</b>	<b>8,68,00,000</b>

**Notes:**

- a) Refer B.12 (A) Loans given by Company to related parties for details.
- b) Unsecured loan given by Company during previous financial years.
- c) Unsecured loan given by Company during FY 2019-20 for short-term deployment of funds. Interest chargeable @ 6% per annum.

**Note "2"**

**Fixed Assets as on 31/03/2020**

Fixed Assets Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2019	Additions	Deductions/ Adjustment	As at 31.03.2020	Upto 01.04.2019	For the year	Deductions/ Adjustment	Upto 31.03.2020	As at 31.03.2020	As at 31.03.2019
Laptop	-	65,460.44	-	65,460.44	-	25,238.00	-	25,238.00	40,222.44	-
Office Equipment	-	9,990.00	-	9,990.00	-	1,357.00	-	1,357.00	8,633.00	-
<b>Total</b>	-	<b>75,450.44</b>	-	<b>75,450.44</b>	-	<b>26,595.00</b>	-	<b>26,595.00</b>	<b>48,855.44</b>	-
<b>Previous Year</b>	-	-	-	-	-	-	-	-	-	-

Particulars	2019-20	2018-19
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**Note '3'**

**Cash and Cash equivalents**

Cash In Hand	189,264.18	102,381.87
Balances with Bank (In Current Accounts)	4,052.40	121,040.31
<b>Total</b>	<b>193,316.58</b>	<b>223,422.18</b>

**Note '4'**

**Loans and Advances**

<b>Loans</b>	86,010,000.00	86,800,000.00
<b>Total</b>	<b>86,010,000.00</b>	<b>86,800,000.00</b>

**Note '5'**

**Other Current Financial Assets**

Accrued Income	895,068.49	-
<b>Total</b>	<b>895,068.49</b>	-

**Note '6'**

**Other Current Assets**

VAT/GST Receivable	157,816.80	9,052.00
Security Deposit	-	15,000.00
<b>Total</b>	<b>157,816.80</b>	<b>24,052.00</b>

**Note '7'**

**Share Capital**

Authorised Share Capital 1,10,00,000 Equity Shares (with voting rights) of Rs. 10/- each	110,000,000.00	110,000,000.00
	110,000,000.00	110,000,000.00
Issued, Subscribed and Paid up 1,05,60,000 Equity Shares (with voting rights) of Rs. 10/- each	105,600,000.00	105,600,000.00
<b>Total</b>	<b>105,600,000.00</b>	<b>105,600,000.00</b>

**Details of Shareholding more than 5%**

Particulars	As on 31/03/2020		As on 31/03/2019	
	No. of Shares	% Held	No. of Shares	% Held
Micro Logistics (India) Private Limited	5,693,299	53.91%	-	-
C L Agrawal	900,000	8.52%	1,656,672	15.69%
Rashmee Agrawal	-	0.00%	4,320,541	40.92%
CRA Infotech Private Limited	1,294,753	12.26%	1,350,030	12.78%

# VALUE RESEARCH PREMIUM

Particulars	2019-2020	2018-2019
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## Details of Equity Shares issued in Preceding 5 years

Particulars	As on 31/03/2020 Total Shares	As on 31/03/2019 Total Shares
1) Number of Equity Shares issued as Bonus Share (Fully Paid up) in Last 5 years	-	-
2) Number of Equity Shares Allotted for Contract without payments received in cash (fully paid up) in the last 5 years	-	-

## Note '8'

### Other Equity

Securities Premium Reserve: As per Last Balance Sheet	4,000,000.00	4,000,000.00
Profit and Loss: As per Last Balance Sheet	(22,592,525.82)	(21,817,431.78)
Add: Loss for the Year	(1,815,644.87)	(775,094.04)
Closing Balance	(24,408,170.69)	(22,592,525.82)
<b>Total</b>	<b>(20,408,170.69)</b>	<b>(18,592,525.82)</b>

## Note '9'

### Borrowings

Other Loan	1,061,725.00	-
<b>Total</b>	<b>1,061,725.00</b>	<b>-</b>

## Note '10'

### Other Current Financial Liabilities

Provision for Expenses	470,073.00	-
Audit Fees Payable	250,000.00	40,000.00
<b>Total</b>	<b>720,073.00</b>	<b>40,000.00</b>

## Note '11'

### Other Current Liabilities

Current Tax Liabilities (Net)	167,487.00	-
<b>Total</b>	<b>167,487.00</b>	<b>-</b>

## Note '12'

### Revenues from Operations

Sale of Product	-	410,000.00
<b>Total</b>	<b>-</b>	<b>410,000.00</b>

## Note '13'

### Other Income

Interest Income	895,068.49	-
<b>Total</b>	<b>895,068.49</b>	<b>-</b>

## VALUE RESEARCH PREMIUM

Particulars	2019-2020	2018-2019
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### Note '14'

#### Employee Benefit Expenses

Salary, Wages and Bonus	1,217,980.00	240,000.00
Staff Welfare	8,998.00	3,860.00
<b>Total</b>	<b>1,226,978.00</b>	<b>243,860.00</b>

### Note '15'

#### Finance costs

Interest on Loan	22,362.00	-
<b>Total</b>	<b>22,362.00</b>	-

### Note '16'

#### Other expenses

Advertisement	83,809.00	53,130.00
Audit Fees	258,000.00	40,000.00
Bank Charges	10.00	885.00
Business Promotion	-	780.00
Electricity & Water Expenses	-	4,803.00
Gst Reversal On Input Credit-Other	1,000.00	-
Interest on Late Payment of TDS	1,007.00	-
Late Filing Fees	87,695.00	-
Legal & Professional Fee	721,556.00	453,888.00
Loss on Sale of Assets	-	169,500.00
Miscellaneous Exp.	469.56	1,343.04
Office Maintenance	-	7,870.00
Postage & Couriers	8,122.00	480.00
Printing & Stationery	26,874.00	9,170.00
Profession Tax	2,000.00	-
Rent	175,033.00	180,500.00
ROC Filing Fee	35,711.80	11,400.00
Telephone Expense	32,831.00	4,660.00
Traveling & Conveyance	660.00	2,825.00
<b>Total</b>	<b>1,434,778.36</b>	<b>941,234.04</b>

#### **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020**

Particulars	Share Capital	Retained Earnings	Share Premium	Total Equity
As at April 01, 2019	105,600,000.00	(22,592,525.82)	4,000,000.00	87,007,474.18
Changes in equity during the year				
Issue of share capital	-	-	-	-
Income / (Loss) for the year		(1,815,644.87)		(1,815,644.87)
<b>As at March 31, 2020</b>	<b>105,600,000.00</b>	<b>(24,408,170.69)</b>	<b>4,000,000.00</b>	<b>85,191,829.31</b>