Note 1:

Significant Accounting Policies

These financial statements have been prepared on an accrual basis and under historical cost convention and in compliance, in all material aspects, with the applicable accounting principles in India, the applicable accounting standards notified under Section 133 and the other relevant provisions of the Companies Act, 2013.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent.

I. Recognition of Income and Expenditure:

(i) Revenues/Incomes and Costs/Expenditure are accounted on accrual, as they are earned or incurred.

II. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

III. Fixed Assets:

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price, including duties and other non-refundable taxes or levies any directly attributable cost of bringing the asset to its working condition. Assets retired from active use are carried at lower of book value and estimated net realizable value.

IV. Method of Depreciation and Amortization:

(i). Depreciation on other Fixed Assets (other than 'Land' and 'Livestock' where no depreciation is provided), is provided on the "Written Down Value Method" (W.D.V.) at the rates specified in Schedule II to the Companies Act, 2013 from time to time. Currently the companies do not have any Fixed Assets

(ii) Depreciation on additions to assets or on sale/discardment of assets is calculated pro rata from the month of such addition or up to the month of such sale/discernment, as the case may be;

V. Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and risk specific to the asset.

VI. Leases

Leases, where the lessor effectively retains substantially all the risks and the benefits of ownership of the lease term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

VII. Investments:

Investments are classified into Current and Long-term Investments. Current Investments are stated at lower of cost and fair value. Long-term Investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of Long-term Investments. However, fixed income long term securities are stated at cost, less amortization of discount and provision for diminution to recognize a decline, other than temporary.

VIII. Valuation of Inventories:

Inventories of Raw Materials, Work-in-Progress, Stores and Spares, Finished Goods and Stock-in-trade are stated 'at cost or net realizable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The excise duty in respect of closing inventory of finished goods is included as part of finished goods. Cost formulae used are 'First-in-First-out', 'Weighted Average cost' or 'Specific identification', as applicable. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

IX. Foreign Currency Translations:

(i) All transactions in foreign currency are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

(ii) Monetary items in the form of Loans, Current Assets and Current Liabilities in foreign currency, outstanding at the close of the year, are converted in Indian Currency at the appropriate rates of exchange prevailing on the date of the Balance Sheet. Resultant gain or loss is accounted during the year.

(iii) In respect of Forward Exchange contracts entered into to hedge foreign currency risks, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange differences arising on such contracts are recognized as income or expense along with the exchange differences on the underlying assets/liabilities. Further, in case of other contracts with committed exchange rates, the underlying is accounted at the rate so committed. Profit or loss on cancellations/renewals of forward contracts is recognized during the year. In case of options contract, the losses are accounted on mark to market basis.

(iv) All other incomes or expenditure in foreign currency, are recorded at the rates of exchange prevailing on the dates when the relevant transactions take place.

(v) Transactions covered by cross currency swap contracts to be settled on future dates are recognized at the rates of exchange of the underlying foreign currency prevailing on the date of the Balance Sheet. Effects arising out of swap contracts are accounted / adjusted on the date of settlement.

(vi) Accounting of foreign branch:

(a) Current assets and liabilities are converted at the appropriate rates of exchange prevailing on the date of the Balance Sheet.

(b) Fixed Assets are converted at the exchange rates prevailing on the date of the transaction.

(c) Revenue items, except depreciation, are converted at monthly average rates of exchange.

(d) Depreciation has been translated at the exchange rates used for the conversion of respective fixed assets.

X. Research and Development:

Revenue expenditure, including overheads on Research and Development, is charged out as an expense through the natural heads of account in the year in which incurred. Expenditure which results in the creation of capital assets is taken as Fixed Assets and depreciation is provided on such assets as are depreciable.

XI. Employee Benefits:

Defined Contribution Plans such as Provident Fund etc., are charged to the Profit and Loss Account as incurred. Defined Benefit Plans - The present value of the obligation under such plan is determined based on an actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses arising on such valuation are recognized immediately in the Profit and Loss Account. In case of funded defined benefit plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans, to recognize the obligation on net basis. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Other Long term Employee Benefits are recognized in the same manner as Defined Benefit Plans.

Termination benefits are recognized as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

XII. Borrowing Costs:

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

XIII. Government Grants:

Grants received against specific fixed assets are adjusted to the cost of the assets and those in the nature of promoter's contribution are credited to Capital Reserve. Revenue Grants are recognized in the Profit and Loss Account in accordance with the related scheme and in the period in which these are accrued.

XIV. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when there is a present obligation as a result of a past event, that probably requires an outflow of resources and a reliable estimate can be made to settle the amount of obligation. Provision is not discounted to its present value and is determined based on the last estimate required to settle the obligation at the year end. These are reviewed at each year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognized but disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

XV. Taxation:

i. Income-tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

ii. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence.

iii. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization.

iv. Minimum Alternative Tax credit is recognized as an asset only when and to the extant there is convincing evidence that the company will pay normal tax during the specified period.

As per the report of even date attached

For M/s Uttam Abuwala & Co.
Chartered Accountants
FRN.NO. 111184W

For and on behalf of the Board
Transcon Research and Infotech Limited

CA. Subhash Jhunjhunwala
Partner
Membership No.: 016331

Director
Ashok Agarwal
(DIN: 01674631)

Director
Sangeeta Shetty
(DIN:03626180)

Place: Mumbai
Date: August 29th, 2017