



INDEPENDENT AUDITOR'S REPORT

To the Members of
CAT Technologies Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of M/s. CAT Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information ("hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act'2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended:

- a) In the case of the Balance Sheet, of the statement of affairs of the Company as at March 31, 2019.
- b) In the case of the Statement of Profit & Loss, of the Loss for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.
- d) In case of the Statement of Changes in Equity, of the changes in Equity for the year ended on that date.

Basis for Opinion

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

Information other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the Standalone Financial Statements and our auditor's report thereon.



Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 implementation and maintenance of 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 Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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



- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government India in terms of Sub- Section (11) of Section 143 of the Act, based on our audit we give in the "**Annexure – A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors, as on March 31, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure-B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g. With respect to the other matters to be included in 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 explanations given to us:
 - i) The Company does not have any pending litigation which would impact its financial position.
 - ii) The Company did not have any long term-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RAMU & RAVI.,
Chartered Accountants
ICAI F R No. 006610S
Sd/-

K V R Murthy
Partner

Membership Number: 200021

Place: Hyderabad
Date: May 30, 2019



Annexure-A to the Independent Auditor's Report

The "Annexure-A" referred to in clause 1 of "Report on Other Legal and Regulatory Requirements" Paragraph of the Independent Auditor's Report of even date to the members of M/s. CAT Technologies Limited on the Standalone Financial Statements for the year ended March 31, 2019.

- (i) In respect of fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) We have inspected the original title deeds of immovable properties of the company held as fixed assets which are in the custody of the company. Based on our audit procedures and the information and the explanation received by us, we report that all the title deeds of immovable properties of the company held as fixed assets are held in the name of the company. However, we express no opinion on the validity of the title of the company to these properties.
- (ii) In our opinion as the company is engaged in rendering information technology services has not required to maintain any inventories, hence provision relating to inventories are not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLPs or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of clause (iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed for maintenance of cost records under Section 148(1) of the Act.
- vii (a) According to the records of the Company and as informed to us, Undisputed Statutory Dues relating to Professional Tax, Provident Fund, Employees State Insurance, TDS have not been regularly deposited with the appropriate authorities and there have been delays in most of the cases. The Outstanding Statutory Dues which are outstanding for a period of more than six months from the date they became payable is as indicated below.

S.No	Particulars	Amount due for more than 6 Months as on 31.03.2019	Amount Paid before the date of Audit Report
1	Professional Tax Payable	Rs.1,36,730/-	Nil
2	EPF Payable	Rs.49,814/-	Nil
3	ESI Payable	Rs.20,40,584/-	Nil
4	TDS Interest Liability	Rs.28,78,079/-	Nil



viii (b) The following is the disputed income tax details that have not been paid to the concerned authority:

S.No	Name of the statute	Forum where dispute is pending	Unpaid Amount
1	Income Tax Act	Income tax Appellate Tribunal	Rs. 29,80,81,824/-

- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from banks, financial institutions or government and there are no dues to debenture holders.
- (ix) In our opinion, based on the information and explanations given by the management, the company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) According to the information and explanations given to us, based on examination of records of the company, 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.
- (xi) According to the records of the Company and on the basis of the information and explanations given to us, the Company has not paid any managerial remuneration during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of the Order are not applicable to the Company.
- (xiii) 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 188 of Act, and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company.
- (xiv) According to the information and explanations given to us, during the year the Company has not made preferential allotment or private placement of shares and fully or partly convertible debentures. Therefore, the provisions of Clause (xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions Clause (xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For RAMU & RAVI.,
Chartered Accountants
ICAI F R No. 006610S
Sd/-

K V R Murthy

Partner

Membership Number: 200021

Place: Hyderabad
Date: May 30, 2019



Annexure-B to the Independent Auditor's Report

The “Annexure-B” referred to in clause 2(f) of “**Report on Other Legal and Regulatory Requirements**” Paragraph of the Independent Auditor’s Report of even date to the members of **M/s. CAT Technologies Limited** on the Standalone Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **M/s. CAT Technologies Limited**, (“the Company”) as at March 31, 2019 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (c) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls system over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at March 31, 2019, based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAMU & RAVI.,
Chartered Accountants
ICAI F R No. 006610S
Sd/-

K V R Murthy
Partner

Membership Number: 200021

Place: Hyderabad
Date: May 30, 2019