G. K. Choksi & Co.
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of

Virtual World Spatial Technologies Pvt. Ltd.

Report on the Standalone Ind AS Financial Statements

Opinion

Opinion We have audited the standalone financial statements of **Virtual World Spatial Technologies Pvt. Ltd.** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and 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 explanations given to us, the aforesaid standalone Ind AS 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 31 March 2019, and profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 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 standalone financial statements under the provisions of the Act 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.

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Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Board's report including annexures of Board's Report but does not include the standalone financial statements and our auditor's report thereon. The aforesaid other information is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the above mentioned other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit / loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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In preparing the standalone financial statements, management and Board of Directors are 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. Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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 standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements 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.

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- 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 standalone 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 auditors' 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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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 Section 143(11) of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, based on our audit, 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), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 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"; and

(g) 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:

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

i. The Company does not have any pending litigation which impact its financial position.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

iv. The reporting on disclosures related to Specified Bank Notes is not applicable to the company for the year ended March 31, 2019.

For **G.K. Choksi & Co.**
Chartered Accountants
(Firm Registration No.125442W)

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

(Shreyas V. Parikh)
(Partner)
Mumbai, 17th May, 2019 **(Membership No. 033402)**

ANNEXURE - A TO THE INDEPENDENT AUDITORS REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on verification were not material and have been properly dealt with in the books of accounts.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company is a service company, primarily rendering computer based services in the area of creation / building of location based application platform for use by the consumers. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').Accordingly, paragraph 3(iii)(a)(b) and (c) of the Order is not applicable to the Company.

(iv) 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.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under .Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

(vi) 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. Therefore the provisions of paragraph 3(vi) of the Order are not applicable to the company.

(vii) In respect of statutory dues:

(a) According to the records of the Company, undisputed statutory dues including Income-Tax, Duty of Customs, Cess, Goods and Service Tax and any other statutory dues, as applicable have been regularly deposited with appropriate authorities. There has been delay in payment of undisputed statutory dues during the year, however, based on the information and explanations given to us and records of the company examined by us, no undisputed amounts payable in respect of the aforesaid dues which are outstanding as at 31st March, 2019 for a period of more than six months from the date of it becoming payable.

(b) According to the information and explanation given to us there are no dues of income tax, sales tax, service tax, Value Added Tax Customs Duty and Excise Duty which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. Further, the Company has not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year under consideration. According, to the information and explanation given to us and based on our examination of the records, the term loans obtained during the year by the company were applied for the purpose for which they were raised and there was no delay or default in repayment of the same.

(x) According to the information and explanations given to us and based on our audit, we have not come across any material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has \paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) 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.

(xiii) According to the information and explanations given to us and based on ourexamination 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.

(xiv) 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.

(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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For G.K. Choksi & Co.
Chartered Accountants
(Firm Registration No.125442W)

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

(Shreyas V. Parikh)
(Partner)
(Membership No. 033402)

Mumbai, 17th May, 2019

Annexure - B to the Auditors' Report

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 **Virtual World Spatial Technologies Private Limited** ("the Company") as of 31 March 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 Act.

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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

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 with reference to financial statements.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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, to the best of our information and according to the explanations given to us, 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 31st March, 2017, 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 G.K. Choksi & Co.
Chartered Accountants
(Firm's Registration No: 125442W)

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

(Shreyas V. Parikh)
(Partner)
(Membership No. 033402)

Mumbai, 17th May 2019

VIRTUAL WORLD SPATIAL TECHNOLOGIES PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

PARTICULARS	Note No.	MARCH 31, 2019	MARCH 31, 2018
		₹	₹
I. ASSETS			
1) NON-CURRENT ASSETS			
Property, Plant and Equipment	3	579,696	1,235,962
Intangible Assets	3	44,569	80,026
		624,265	1,315,988
b) Financial Assets:			
Other Financial Assets	4	25,000	1,855,240
c) Deferred Tax Assets (net)	5	112,663	11,588,198
d) Other Non Current Assets	6	33,600,000	-
		33,737,663	13,443,438
2) CURRENT ASSETS			
a) Financial Assets:			
Trade Receivables	7	-	51,186,062
Cash and Cash Equivalents	8	135,239	65,761
b) Current Tax Assets (Net)	9	88,952	88,952
c) Other Current Assets	10	8,100,367	8,495,955
		8,324,557	59,836,730
TOTAL		42,686,485	74,596,156
II. EQUITY AND LIABILITIES			
1) EQUITY			
a) Share Capital	11	15,907,700	15,907,700
b) Other Equity	12	(103,105,246)	(37,807,954)
		(87,197,546)	(21,900,254)
2) CURRENT LIABILITIES			
a) Financial Liabilities:			
Borrowings	13	112,924,320	74,671,591
Trade Payables	14	7,223,467	9,359,982
Other Current Financial Liabilities	15	8,758,316	2,174,845
b) Other Current Liabilities	16	977,928	10,289,992
c) Provisions	17	-	-
d) Current Tax Liabilities (Net)	18	-	-
		129,884,031	96,496,410
TOTAL		42,686,485	74,596,156

Notes forming integral part of the Financial Statements **1 to 34**

As per our Report of even date attached
For G.K.Choksi & Co.
CHARTERED ACCOUNTANTS
Firm Registration No. :125442W

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Shreyas V. Parikh
PARTNER
Membership No. 33402

Date: 17.05.2019
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Date: 17.05.2019
Place: MUMBAI

VIRTUAL WORLD SPATIAL TECHNOLOGIES PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	Note No.	MARCH 31, 2019	MARCH 31, 2018
		₹	₹
I. INCOME			
Revenue from Operations	19	(40,625,000)	-
Other Income	20	812,138	6,976
TOTAL REVENUE		(39,812,862)	6,976
II. EXPENSES			
Project Expenses	21	1,750,352	11,081,719
Employee Benefit Expenses	22	(1,901,310)	20,595,414
Finance Costs	23	9,407,856	-
Depreciation and Amortization Expense	3	494,059	514,166
Other Expenses	24	4,257,938	10,732,208
TOTAL EXPENSES		14,008,895	42,923,507
III. PROFIT BEFORE TAX		(53,821,757)	(42,916,531)
IV. Tax Expense:	25		
Current Tax		-	-
Deferred Tax		11,475,535	(11,584,530)
Tax adjustments of earlier years		-	-
TOTAL TAX EXPENSES		11,475,535	(11,584,530)
V. PROFIT AFTER TAX		(65,297,292)	(31,332,001)
VI. OTHER COMPREHENSIVE INCOME (NET OF TAXES)		-	-
VII. TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(65,297,292)	(31,332,001)
VIII. EARNINGS PER EQUITY SHARE	28		
Equity Shares of face value of ₹10 each		1,590,770	1,590,770
Basic and Diluted		(41.05)	(19.70)

Notes forming integral part of the Financial Statements **1 to 34**

As per our Report of even date attached
For G.K.Choksi & Co.
CHARTERED ACCOUNTANTS
Firm Registration No. :125442W

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Shreyas V. Parikh
PARTNER
Membership No. 33402

Date: 17.05.2019
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Date: 17.05.2019
Place: MUMBAI

VIRTUAL WORLD SPATIAL TECHNOLOGIES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

PARTICULARS	Note no.	MARCH 31, 2019		MARCH 31, 2018	
		₹	₹	₹	₹
A CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before tax and extraordinary items			(53,821,757)		(42,916,531)
Adjustments for:					
Depreciation and amortization		494,059		514,166	
Unrealised Gain		294,881		(31,887)	
Interest Paid				-	
			788,940		482,279
Operating Profit before working capital changes			(53,032,817)		(42,434,252)
Adjusted for:					
Trade Receivable		51,186,062		(47,937,500)	
Other Financial Assets		1,830,240		39,604,760	
Other Current Assets		395,588		65,129	
Financial Liabilities		4,152,075		(2,467,994)	
Other Liabilities and Provisions		(9,312,064)		2,724,773	
			48,251,901		(8,010,832)
Cash Generated from Operations			(4,780,916)		(50,445,084)
Income Taxes (Paid) / Refund received					-
Net Cash Flow from Operating Activities [A]			(4,780,916)		(50,445,084)
B CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Property, Plant, Equipment and Intangible Assets		197,664		(33,000)	
Advance for purchase of Capital assets		(33,600,000)			
Net Cash used in Investing Activities [B]			(33,402,336)		(33,000)
C CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from unsecured Borrowings		38,252,729		49,942,406	
Interest Paid				-	
Net Cash Flow from Financing Activities [C]			38,252,729		49,942,406
Net Increase in Cash & Cash Equivalents [A+B+C]			69,478		(535,678)
Cash & Bank Balance (Opening Balance)			65,761		601,439
Cash & Bank Balance (Closing Balance)	7		135,239		65,761
Cash & Bank balance comprise					
Cash in Hand			65,761		65,761
Balance with Banks			69,478		-
Cash & Bank Balance as at the end of the year			135,239		65,761

As per our Report of even date attached
For G.K.Choksi & Co.
CHARTERED ACCOUNTANTS
Firm Registration No. :125442W

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Shreyas V. Parikh
PARTNER
Membership No. 33402

Date: 17.05.2019
Place: MUMBAI

For and on behalf of the Board Of Directors

SAJID MALIK
DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Date: 17.05.2019
Place: MUMBAI

1. Company's Background

Virtual World Spatial Technologies Private Limited was incorporated on 20TH October, 2015 for providing services in the area of creation / building of location based application platform for use by the consumers. The company is a wholly owned subsidiary of M/S A.N. Virtual World Tech Limited, Cyprus.

Authorisation of Financial Statements: The Financial Statements were authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on 17th May, 2019.

2. Significant Accounting Policies

A) Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (hereinafter referred to as Ind-AS) notified under section 133 of Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules there under.

These financial statements for the year ended 31st March, 2018 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounting Standards) Rules, 2014(as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The Financial Statements have been prepared under historical cost convention basis except for certain financial assets and financial liabilities measured at fair value (refer accounting policies for financial instruments).

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.
The Company's financial statements are presented in Indian Rupees (₹), which is also its functional currency

B) Use of estimates and judgments:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates,

G. K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS 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 amounts 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 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 and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

a) Estimation of current tax expenses and Payable
b) Useful lives of property, plant and equipment

C) Current versus non-current classification

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

All the assets and liabilities have been classified as current/non-current as per the Company's normal operating cycle and other criteria set out in Division II to Schedule III of the Companies Act, 2013.

Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

D) Revenue recognition and expenses

Revenues are recognized on accrual basis. Revenue from operations is accounted for on the basis of services rendered and billed to / accepted by clients.

Revenue from contracts, which are generally time bound fixed price contracts, is recognized over the life of the contract using the percentage-of-completion method, with contract costs determining the degree of completion. Losses on such contracts are recognized when probable. Revenue in excess of billing is recognized as unbilled revenue in the balance sheet; to the extent billings are in excess of revenue recognized, the excess is reported as unearned and deferred revenue in the balance sheet.

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 duties collected on behalf of the government

Other Income:

Other income is accounted for on accrual basis except where the receipt of income is uncertain in which case it is accounted for on receipt basis. It also comprises of exchange gain/ loss on forward & options contract and on translation of other assets and liabilities.

Expenses are accounted for on accrual basis and provisions are made for all known liabilities and losses.

E) Property, Plant and equipments

Property, plant and equipment's (PPE) are stated at cost less accumulated depreciation and impairment losses, if any. Cost of acquisition includes directly attributable costs for bringing the assets to its present location and use.

The cost of an item of PPE comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying assets up to the date the asset is ready for its intended use.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

G.K. CHOKSI & CO.
MUMBAI
CHARTERED ACCOUNTANTS

Gains or losses arising from de-recognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the assets derecognized.

Depreciation:
Depreciation is charged on fixed assets on straight line basis using useful lives of tangible assets contained in Part "C" Schedule II to the Companies Act, 2013.

Depreciation/Amortization is charged on a pro-rata basis on assets purchased /sold during the year with reference to date of installation/disposal. Assets costing individually `5,000/- or less are fully depreciated in the year of purchase / installation. Residual value is considered as Nil for all the assets.

F) Intangible Assets

Intangibles are stated at the acquisition price including directly attributable costs for bringing the asset into use, less accumulated amortization and impairment. Direct expenditure, if any, incurred for internally developed intangibles from which future economic benefits are expected to flow over a period of time is treated as intangible asset as per the Indian Accounting Standard on Intangible Assets.

Depreciation:
Depreciation is charged on fixed assets on straight line basis using useful lives of tangible assets contained in Part "C" Schedule II to the Companies Act, 2013.

Depreciation/Amortization is charged on a pro-rata basis on assets purchased /sold during the year with reference to date of installation/disposal. Assets costing individually `5,000/- or less are fully depreciated in the year of purchase / installation. Residual value is considered as Nil for all the assets.

G) Borrowing Costs
Borrowing costs, if any, directly attributable to the acquisition of the qualifying asset are capitalized for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Other borrowing costs are recognized as expense in the period in which they are incurred.

H) Financial Instruments

Initial measurement

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for the trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

a) Subsequent measurement (Non derivative financial instruments)

1. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely for payments of principal and interest on the principal amount outstanding.

2. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income 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 for payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model.

3. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

4. Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

5. Investment in Subsidiaries and Associates:

Investment in subsidiaries and Associates are measured at cost less impairment.

b) Share Capital – Ordinary Shares

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all its liabilities. Equity instruments recognized by the company are recognized at the proceeds received net of direct issue cost.

c) De-recognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

I) Fair Value measurement of Financial Instruments

Fair value is the price that would be received on sale of 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 which can be accessed by the Company for the asset or liability

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. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

J) Impairment of assets

(i) Financial Assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in profit or loss.

(ii) Non-Financial Assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

K) Leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. Each lease rental paid is allocated between the liability and

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the Statement of Profit and Loss over the lease term.

L) Foreign Currency Transactions

All transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date when the relevant transactions take place.

Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year. Monetary assets and liabilities in the form of Loans, Current Assets and Current Liabilities in foreign currency, which are outstanding as at the year-end, are translated at the year-end closing exchange rate and the resultant exchange differences are recognized in the Statement of Profit and Loss.

The premium or discount arising at the inception of the forward exchange contracts related to underlying receivables and payables, if any, are amortized as an expense or income recognized over the period of the contracts. Gains or losses on renewal or cancellation of foreign exchange forward contracts are recognized as income or expense for the period.

Investments in overseas entity are recognized at the relevant exchange rates prevailing on the date of investments.

All transactions of the foreign branch during the year are included in the accounts at the rate of exchange prevailing at the end of the month in which the transactions took place.Net Gain / Loss in foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities are translated at the rates prevailing on the balance sheet date.

M) Employee Benefits

Since the company does not have minimum number of employees during this current year, the company has not made arrangement for any defined contributions/ provisions for such expenses in the accounts, towards retirement / other benefits to its employees.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

N) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a) Current Income Tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- Has a legally enforceable right to set off the recognized amounts; and
- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

b) Deferred Income Tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date.

Minimum Alternate Tax ('MAT') under the provisions of the Income Tax Act, 1961 is recognised as deferred tax in the Statement of Profit and Loss. The credit available under the Income Tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent it is probable that future taxable profit will be available against which these tax credit can be utilised. Such an asset is reviewed at each Balance Sheet date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized.

Deferred tax assets and liabilities are offset only if:

- Entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

O) Earnings per Share (EPS)

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

P) Cash and Cash Equivalents

Cash and Cash equivalents comprises cash and calls on deposit with banks and corporations. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalent.

Q) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

R) Provisions and Contingencies

Provisions are recognized when the Company has a present obligation as a result of a past event, for which it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. 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.

Contingent liabilities are not provided for and are disclosed by way of notes to accounts, where there is an obligation that may, but probably will not, require outflow of resources.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Where there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements.

2A) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.
On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.
As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)
The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation
The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Standalone statement of changes in Equity for the year ended 31st March, 2019

A Equity Share Capital (in ₹)

Particulars	Equity Share Capital
Balance as on 1st April, 2017	**1,590,770**
Addition	-
Balance as on 31st March, 2018	**1,590,770**
Addition	-
Balance as on 31st March, 2019	**1,590,770**

B Other Equity (in ₹)

Particulars	General Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance as of April 1,2017	-	(6,475,953)	-	**(6,475,953)**
Transfer during the year	-	-	-	-
Profit for the year	-	(31,332,001)	-	**(31,332,001)**
Balance as of March 31, 2018	-	**(37,807,954)**	-	**(37,807,954)**
Profit for the year	-	(65,297,292)	-	**(65,297,292)**
Balance as of March 31, 2019	-	**(103,105,246)**	-	**(103,105,246)**

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Note -3

3. Property, Plant and Equipments

(in ₹)

Particulars	Gross Block				Depreciation / Amortization				Net Block	
	Opening Balance as at 1.04.18	Addition During the period	Sale / Adjustment/ Transfer	Closing Balance as on 31.03.19	Up to 1.04.18	For the period	On Deduction/ Transfer	Up to 31.03.19	As at 31.03.19	As at 31.03.18
Property, Plant and Equipment										
Computer Hardware	495,499	-	-	495,499	369,553	123,358	-	492,911	2,588	125,946
Air Conditioner	326,750	-	326,750	-	85,401	43,685	129,086	-	-	241,349
Office Equipments	77,490	-	-	77,490	21,596	15,499	-	37,095	40,395	55,894
Camera Equipment	663,871	-	-	663,871	330,971	221,267	-	552,238	111,633	332,900
Electrical Installation	17,000	-	-	17,000	2,123	1,700	-	3,823	13,177	14,877
Furniture & Fixtures	530,957	-	-	530,957	65,961	53,093	-	119,054	411,903	464,996
Subtotal (A)	**2,111,567**	**-**	**326,750**	**1,784,817**	**875,605**	**458,602**	**129,086**	**1,205,121**	**579,696**	**1,235,962**
Intangible Assets										
Computer Software	106,390	-	-	106,390	26,364	35,457	-	61,821	44,569	80,026
Subtotal (B)	**106,390**	**-**	**-**	**106,390**	**26,364**	**35,457**	**-**	**61,821**	**44,569**	**80,026**
Total (A+B)	**2,217,957**	**-**	**326,750**	**1,891,207**	**901,969**	**494,059**	**129,086**	**1,266,942**	**624,265**	**1,315,988**
Previous Year	**2,184,957**	**33,000**	**-**	**2,217,957**	**387,803**	**514,166**	**-**	**901,969**	**1,315,988**	**-**

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

VIRTUAL WORLD SPATIAL TECHNOLOGIES PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

4. OTHER FINANCIAL ASSETS

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Unsecured, considered good		
Loans & Advances		
Other Deposits	25,000	1,855,240
Total	25,000	1,855,240

5. DEFERRED TAX ASSETS (Net)

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Unabsorbed depreciation and business losses	-	11,546,146
Depreciation	106,237	29,198
Preliminary Expenses	6,426	12,854
Total	112,663	11,588,198

6 Other Non Current Assets

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Unsecured, considered good		
Other Advances	33,600,000	-
Total	33,600,000	-

7. TRADE RECEIVABLES

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Other Receivables		
Unsecured		
Considered Good	-	51,186,062
Considered Doubtful		
	-	51,186,062
Less: Provision for Doubtful Debts	-	-
Total	-	51,186,062

8. CASH & CASH EQUIVALENTS

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Cash & Cash Equivalents		
Cash in Hand	65,761	65,761
Balances with Banks		
In Current Accounts	69,478	-
Total	135,239	65,761

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

9. CURRENT TAX ASSETS (NET)

(in ₹)

PARTICULARS	As at	
	MARCH 31, 2019	MARCH 31, 2018
Advance Income Taxes (net of provision for taxes ₹ Nil (As at 31st March 2018 ₹ Nil)	88,952	88,952
Total	88,952	88,952

10. OTHER CURRENT ASSETS

(in ₹)

PARTICULARS	As at	
	MARCH 31, 2019	MARCH 31, 2018
Unsecured, considered good		
Prepaid Expenses	1,473	18,324
Other Advances		
Balances due from revenue authorities	6,938,685	7,075,422
Others	1,160,209	1,402,209
Total	8,100,367	8,495,955

11. SHARE CAPITAL

(in ₹)

PARTICULARS	As at	
	MARCH 31, 2019	MARCH 31, 2018
AUTHORIZED		
Equity Shares of face value of ₹ 10/- fully paid up	17,500,000	17,500,000
1,750,000 Equity Shares (Previous Year: 1,750,000 Equity Shares of face value of ₹10/- each)		
ISSUED, SUBSCRIBED & FULLY PAID-UP		
Equity Shares of face value of ₹ 10/- fully paid up 1,590,770 Equity Shares fully paid up (Previous Year: 1,590,770 Equity Shares of face value of ₹ 10/- each) fully paid up	15,907,700	15,907,700
Total	15,907,700	15,907,700

Reconciliation of number of equity share outstanding as at the beginning and at the end of reporting period

Particulars	March 31,2019		March 31,2018	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	1,590,770	15,907,700	1,590,770	15,907,700
Add: Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,590,770	15,907,700	1,590,770	15,907,700

The Company has only one class of shares referred to as equity shares having a par value of ₹10. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion to their shareholding.

During the period of five financial years immediately preceding the Balance Sheet date, the company has not:

(i) allotted any equity shares pursuant to any contract without payment being received in cash; and
(ii) bought back any equity shares.

The details of shareholders holding more than 5% shares as at March 31, 2019 is set out below:

C.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

Class of Shares / Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% held	No. of shares	% held
Equity shares - A N Virtual World Tech Ltd	1,590,770	100.00	1,590,770	100.00

Note: Above holding includes 10 shares of Sajid Malik as nominee of A N Virtual World Tech Ltd

Equity Shares held by Ultimate Holding Company/Holding Company and or their associate or Subsidiaries

Name of the Shareholder	Relationship	March 31,2019	March 31,2018
A.N. Virtual World Tech Limited	Holding Company	1,590,770	1,590,770

Rights, Preferences and Restrictions

The Authorised Share Capital of the Company consists of Equity Shares having nominal value of ₹ 10/- each. The rights and privileges to equity shareholders are general in nature and allowed under Companies Act, 2013.

The equity shareholders shall have:
(1) a right to vote in shareholders' meeting. On a show of hands, every member present in person shall have one vote and on a poll, the voting rights shall be in proportion to his share of the paid up capital of the Company;

(2) a right to receive dividend in proportion to the amount of capital paid up on the shares held.

The shareholders are not entitled to exercise any voting right either in person or through proxy at any meeting of the Company if calls or other sums payable have not been paid on due date.

In the event of winding up of the Company, the distribution of available assets/losses to the equity shareholders shall be in proportion to the paid up capital.

12. OTHER EQUITY

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
SURPLUS IN STATEMENT OF PROFIT & LOSS		
Opening Balance	(37,807,954)	(6,475,953)
Add: Net profit after tax transferred from Statement of Profit and Loss	(65,297,292)	(31,332,001)
	(103,105,246)	(37,807,954)
Less: Appropriations:	-	-
Closing Balance	(103,105,246)	(37,807,954)
Total	(103,105,246)	(37,807,954)

13. SHORT-TERM BORROWINGS

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Unsecured		
From Related Party *	112,924,320	9,386,691
From Bank Overdraft	-	65,284,900
Total	112,924,320	74,671,591

*Note: Previous year borrwings from related party was Interest free repayable on demand and current year borrowings are interest bearing.

S.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

14. TRADE PAYABLES

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Trade Payables- Micro enterprises and Small enterprises	-	-
Trade Payables- Others	7,223,467	9,359,982
Total	7,223,467	9,359,982

Amount due to Micro, Small and Medium Enterprises :

(a) Trade payables includes (i) ₹ Nil (Previous year: ₹ Nil) due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSME); and (ii) ₹ 7,296,235 (Previous year: ₹ 9,376,128) due to other parties.

(b) No interest is paid/payable during the year to any enterprise registered under the MSME.

(c)The above information has been determined to the extent such parties could be identified on the basis of the information available with the company regarding the status of suppliers under the MSME.

15. OTHER CURRENT FINANCIAL LIABILITIES

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Other Liabilities	8,758,316	2,174,845
Total	8,758,316	2,174,845

16. OTHER CURRENT LIABILITIES

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Other payables	977,928	10,289,992
Total	977,928	10,289,992

17. Provisions

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Others	-	-
Total	-	-

18. CURRENT TAX LIABILITIES (NET)

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Provision for Tax (Net of advance tax ₹ Nil (As at 31st March, 2018: ₹ Nil)	-	-
Total	-	-

19. REVENUE FROM OPERATIONS

(in ₹)

PARTICULARS	2018-19	2017-18
Revenue from Services	(40,625,000)	-
Total	(40,625,000)	-

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

20. OTHER INCOME

(in ₹)

PARTICULARS	2018-19	2017-18
Miscellaneous Income	812,138	6,976
Total	812,138	6,976

21. PROJECT EXPENSES

(in ₹)

PARTICULARS	2018-19	2017-18
Consultancy Charges	(48,000)	8,320,481
Data Management Expenses	1,798,352	2,660,778
Other Project Expenses	-	100,460
Total	1,750,352	11,081,719

22. EMPLOYEE BENEFIT EXPENSES

(in ₹)

PARTICULARS	2018-19	2017-18
Salaries, Allowances and Bonus	(1,844,899)	20,599,760
Staff Welfare	(56,411)	(4,346)
Total	(1,901,310)	20,595,414

23. FINANCE COSTS

(in ₹)

PARTICULARS	2018-19	2017-18
Interest Expenses-		
On Borrowings	9,407,856	-
Others	-	-
Total	9,407,856	-

24. OTHER EXPENSES

(in ₹)

PARTICULARS	2018-19	2017-18
Conveyance and Traveling	(510,000)	512,694
Communication expenses	1,350	1,408
Electricity Charges	-	196,872
Legal and Professional Fees	98,700	2,976,293
Miscellaneous Expenses	1,158,661	5,854,941
Rent	214,665	1,098,000
Bad Debts	3,248,562	-
Remuneration to Auditors		
as Auditor		
- Statutory Audit	46,000	52,000
- Tax Audit	-	40,000
Total	4,257,938	10,732,208

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

25. TAX EXPENSES

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
(A) Amount recognised in Statement of Profit and Loss:		
(i) Current Tax Expense		
- Current Year	-	-
- Tax Adjustment for earlier years	-	-
Subtotal (i)	-	-
(ii) Deferred Tax		
- Relating to origination and reversal of temporary Differences **(ii)**	**11,475,535**	**(11,584,530)**
Total (i+ii)	**11,475,535**	**(11,584,530)**

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
(B) Amount recognised in Other Comprehensive Income:		
Deferred Tax		
- Re measurement of net defined benefit plans	-	-
Total	-	-

(C) Reconciliation of effective tax rate:

(in ₹)

PARTICULARS	As at MARCH 31, 2019	As at MARCH 31, 2018
Profit Before Tax	(53,821,757)	(42,916,531)
Applicable Tax Rate	26.000	26.000
Computed Tax Expenses	-	-
Current Tax Expenses as per Statement of Profit and Loss	-	-
Effective Tax Rate	-	-

(d) Movement in Deferred Tax balances :

(in ₹)

Particulars	Balance as at 1/4/2018	Recognised in Profit and Loss	Balance as at 31/03/2019
Property, plant and equipment and intangible assets	29,198	77,038	106,236
Preliminary Expenses	12,854	(6,427)	6,427
Tax Losses	11,546,146	(11,546,146)	-
Subtotal (A)	**11,588,198**	**(11,475,535)**	**112,663**

(in ₹)

Particulars	Balance as at 1/4/2017	Recognised in Profit and Loss	Balance as at 31/03/2018
Property, plant and equipment and intangible assets	(20,851)	50,049	29,198
Preliminary Expenses	24,519	(11,665)	12,854
Tax Losses	-	11,546,146	11,546,146
Subtotal (A)	**3,668**	**11,584,530**	**11,588,198**

CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

26. There is no contingent liability and capital commitments as at 31.03.2019.

27. Related party transactions:

a) With whom no transactions made during the year:

Holding Company –
M/s A.N. Virtual World Tech Limited, Cyprus

Associate Enterprise –
M/S GI Engineering Solutions Limited
M/S Genesys Virtual World Limited
Mr. Ashish Nanda - Shareholder of Holding Company

Key Management Personnel
Mr. Ganapathy Vishwanathan – Director
Mr. Sourav Sachin - CEO (Resigned on November 2017)

b) With whom transactions made during the year:

Associate Enterprise –
M/S Genesys International Corporation Limited

Key Management Personnel
Mr. Sajid Malik – Director

Details of Transactions with related parties are as follows:

Particulars	**Holding Company**	**Associate Enterprises**	**Key Managerial Person**
	₹	₹	₹
Other Income	- -	6,500 -	- -
Expenses Interest expenses	- (-)	9,407,856 (-)	- (698,457)
Remuneration to Key Managerial Personnel	- -	- -	- (9,000,000)
Assets Sale	- -	326,750 -	- -
Loan Received	- (-)	127,185,000 (73,891,994)	67,502,500 (5,531,000)
Loan Repaid	- (-)	14,260,680 (73,909,824)	76,889,191 (20,873,494)
Closing Balance **Amounts payable**	1,532,649 (1,438,805)	122,332,176 -	1,337,346 (10,641,995)
Amounts Receivables		- -	1,160,209 (1,402,209)

28. Earnings per share: Reconciliation of basic and diluted shares used in computing earnings per share:

Particulars	31-Mar-19	31-Mar-18
Number of Equity Shares of ₹ 10/- each	1,590,770	1,590,770
Number of Equity Shares after potential dilution	1,590,770	1,590,770
Weighted average number of Equity Shares outstanding during the year	1,590,770	1,590,770
Net Profit/(Loss) after tax (₹)	(65,297,292)	(31,332,001)
Basic EPS (₹)	(41.05)	(19.70)
Diluted EPS (₹)	(41.05)	(19.70)
Nominal Value of shares (₹)	10	10

29. Expenditure in Foreign Currency:

Particulars	FY 2018-19	FY 2017-18
	₹	₹
License Fees	-	-
Data Management Expenses	1,200,352	1,886,069
Data Management Expenses – Preliminary Expenses	-	-
Other Expenses	-	2,889,793

30. Value of Imports (CIF basis):

Particulars	FY 2018-19	FY 2017-18
	₹	₹
Capital Goods	-	-

31. Exchange Differences

During the year, realized and unrealized exchange loss (net) amounting to ₹ 294,881/- (Previous Year: ₹ 60,119) is included in the financial statements. There are no forward exchange contracts/options outstanding as on 31st March, 2019.

G.K. CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

32. Financial Instruments

A. The carrying value and fair value of financial instruments:

(Amount in ₹)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
At Amortised Cost				
Other Financial Assets - Non Current (Refer Note 4)	25,000	25,000	1,855,240	1,855,240
Trade Receivables (Refer Note 7)	-	-	51,186,062	51,186,062
Cash & Cash equivalents (Refer Note 8)	135,239	135,239	65,761	65,761
At Fair value through Profit and Loss Account				
Investments			-	-
Total	**160,239**	**160,239**	**53,107,063**	**53,107,063**
Financial Liabilities				
At Amortised Cost				
Borrowings - Current (Refer Note 13)	112,924,320	112,924,320	74,671,591	74,671,591
Trade Payables (Refer Note 14)	7,223,467	7,223,467	9,359,982	9,359,982
Other Financial Liabilities (Refer Note 15)	8,758,316	8,758,316	2,174,845	2,174,845
Total	**128,906,103**	**128,906,103**	**86,206,418**	**86,206,418**

B. Fair value measurements recognised in the statement of financial position:

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(Amount in ₹)

Particulars	As at March 31, 2019			As at March 31, 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
At Amortised Cost						
Other Financial Assets - Non Current (Refer Note 4)	-	-	25,000	-	-	1,855,240
Trade Receivables (Refer Note 7)	-	-	-	-	-	51,186,062
Cash & Cash equivalents (Refer Note 8)	-	-	135,239	-	-	65,761
At Fair value through Profit and Loss Account						
Investments	-	-	-	-	-	-
Total	-	-	**160,239**	-	-	**53,107,063**
Financial Liabilities						
At Amortised Cost						
Borrowings - Current (Refer Note 13)	-	-	112,924,320	-	-	74,671,591
Trade Payables (Refer Note 14)	-	-	7,223,467	-	-	9,359,982
Other Financial Liabilities (Refer Note 15)	-	-	8,758,316	-	-	2,174,845
Total	-	-	**128,906,103**	-	-	**86,206,418**

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, Trade receivables, Other current Financial assets, Trade payable and other current Financial liabilities approximate their carrying amounts largely due to the short-term maturities or nature of these instruments.

CHOKSI & CO. MUMBAI CHARTERED ACCOUNTANTS

C. Financial risk management objectives:

Financial risk Factor:

The Company's activities exposes it to a variety of financial risks : Market Risk, 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 exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers

1. Market Risk:

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial Instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

i. Foreign currency exchange rate risk:
The fluctuation in foreign currency exchange rates may have a potential impact on the standalone statement of profit and loss and equity. This arises from transactions entered into in foreign currency and assets/liabilities which are denominated in a currency other than the functional currency of the Company.

A majority of the Company's foreign currency transactions are denominated in US Dollars. Thus, the foreign currency sensitivity analysis has only been performed in relation to the US Dollar (USD).

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. Further, in accordance with its risk management policy, Company does not hedge its risks by using any derivative financial instruments.

Details of foreign currency exposure in USD are as follows:

Particulars	AS AT	
	31-Mar-19	31-Mar-18
	$	$
Trade payable	(69,988)	(68,970)

Foreign Currency sensitivity
A 1% appreciation / depreciation of the USD with respect to INR would result in decrease / increase in the Company's net profit before tax for the year ended March 31, 2019 by approximately (₹48,943) / ₹48,943 respectively (previous year ended March 31, 2018: (₹ 45,272) / ₹ 45272 respectively).

2. Credit Risk:
The credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to INR Nil, INR 51,186,062 as on March 31, 2019 and March 31, 2018 respectively. Trade receivables are typically unsecured and are derived from revenue earned from single customers.

KSI & CO. MUMBAI ★ CHARTERED ACCOUNTANTS

The detail percentage of revenues generated from top customers and top five customers are as follows:

Particulars	As at	
	31-Mar-19	31-Mar-18
Revenues generated from top customers (in ₹)	-	-
Revenues generated from top five customers (%)	-	-

Credit risk on cash and cash equivalent is limited as company is having bank account with banks and financial institutions with high rating assigned by international and domestic credit rating agencies. Based on the creditworthiness of the related parties, financial strength of related parties and its parents and past history of recoveries from them, the credit risk is mitigated.

3. Liquidity risk:

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

33. Statement of Management

(a) The current assets, loans and advances are good and recoverable and are approximately of the values, if realized in the ordinary courses of business unless and to the extent if any stated otherwise in the Accounts. Provision for all known liabilities is adequate and not in excess of amount reasonably necessary. There are no contingent liabilities except those stated in the notes.

(b) Balance Sheet, Statement of Profit & Loss and Cash Flow statement read together with the schedules to the accounts and notes thereon, are drawn up so as to disclose the information required under the Companies Act, 2013 as well as give a true and fair view of the statement of affairs of the Company as at the end of the year and results of the Company for the year under review.

34. Figures for previous year have been re-grouped/re-classified wherever necessary to conform to current year's presentation.

As per our Report of even date attached
For G.K. Choksi & Co.
CHARTERED ACCOUNTANTS
Firm Registration No. : 125442W

Shreyas V. Parikh
PARTNER
Membership No. 33402
Date: 17.05.2019
Place : MUMBAI

For and on behalf of the Board of Directors

SAJID MALIK
DIRECTOR

GANAPATHY VISHWANATHAN
DIRECTOR

Date: 17.05.2019
Place : MUMBAI