

BLUE SKY INFOTECH
Balance Sheet as at 31st March

(Amount in Rs)

Particulars	Note	March 31, 2019	March 31, 2018
LIABILITIES			
Capital Accounts			
Partners Capital Account	3	1,00,000	1,00,000
Partners Current Account	4	82,35,812	43,27,388
Current liabilities			
Short-term borrowings	5	1,50,00,000	-
Trade Payables	6	-	4,09,914
Other Current Liabilities	7	52,65,196	41,65,109
Total		2,86,01,008	90,02,411
ASSETS			
Non-Current Assets			
Fixed assets at WDV	8	2,71,600	57,820
Long Term Loans and Advances	9	2,05,000	2,05,000
Current Assets			
Inventories	10	2,06,25,919	7,31,346
Trade Receivables	11	4,29,374	3,48,555
Cash and bank balances	12	18,20,621	12,66,413
Short-Term Loans and Advances	13	52,48,495	63,93,277
Total		2,86,01,008	90,02,411

Summary of Significant Accounting Policies 2

The notes are an integral part of these financial statements.

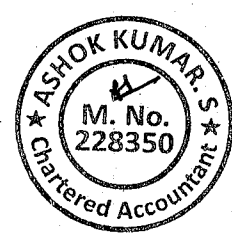
For and on behalf of Blue Sky Infotech

As per my report of even date attached

S. Kaushik
KAUSHIK SRINIVASAN
Partner



Lakshmi
LAKSHMI KAUSHIK
Partner



Ashok
ASHOK KUMAR S
Proprietor
Chartered Accountant
M No.228350

Place: Bangalore
Date: 25-09-2019

Place: Bangalore
Date: 25/09/2019

BLUE SKY INFOTECH**Profit and Loss Account for the year ended 31st March***(Amount in Rs)*

Particulars	Note	March 31, 2019	March 31, 2018
Revenue From Operations		15,74,74,792	6,63,40,285
Other Income	14	-	3,752
Total Revenue		15,74,74,792	6,63,44,037
Expense:			
Direct Expenses	15	1,15,13,253	1,02,37,468
Purchases of Stock-in-Trade	16	13,84,46,031	4,39,43,467
Changes in Inventories of Stock-in-Trade	17	(1,98,94,573)	7,15,251
Employee Benefit Expense	18	50,70,156	29,13,500
Depreciation and Amortization Expense	8	64,119	10,667
Other Expenses	19	1,65,35,494	57,69,785
Total Expenses :		15,17,34,479	6,35,90,139
Profit Before Tax		57,40,313	27,53,898
Tax Expense:			
Current Tax		18,31,889	8,25,330
Profit/(Loss) for the year transferred to Partners Current Account		39,08,424	19,28,568

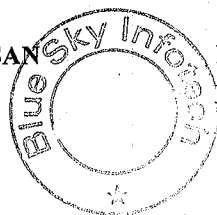
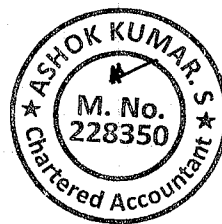
Summary of Significant Accounting Policies

2

The notes are an integral part of these financial statements.

For and on behalf of Blue Sky Infotech

As per my report of even date attached

*S. Kaushik*KAUSHIK SRINIVASAN
Partner*Kaushik*
LAKSHMI KAUSHIK
Partner*Ashok Kumar S*ASHOK KUMAR S
Proprietor
Chartered Accountant
M No.228350

Place: Bangalore

Date: 25-09-2019

Place: Bangalore

Date: 25/09/2019

BLUE SKY INFOTECH

Significant Accounting Policies forming part of the accounts for the year ended 31st March 2019

NOTES

1. General Information

M/s Blue Sky Infotech is a partnership firm which commenced operations from 1st June 2014 with the principal place of business at no.1201, 12th Floor, Akruti Atria, N S Phadke Marg, OPP Teli Galli, Sai Wadi, Andheri (E) Mumbai – 400 069 and branches at Chennai and Bangalore. The firm is formed to provide service in the field of Digital signatures and trading in crypto tokens.

2. Summary of significant accounting policies

I. Basis of Preparation of Accounts

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified by the Institute of Chartered Accountants of India.

II. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

III. Tangible Assets

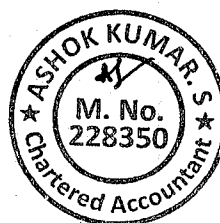
Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of land. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The firm capitalises all costs relating to the acquisition, installation and construction of fixed assets, up to the date when the assets are ready for commercial use.

Items of fixed assets that are retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognised in the Profit and Loss Account, losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Profit and Loss Account.

Depreciation on fixed assets including additions/ deletions to fixed assets is calculated as per the provisions of Income Tax Act 1961.

IV. Inventories

Inventories are valued at the lower of cost, computed on a weighted average cost basis and estimated net realizable value.



BLUE SKY INFOTECH

Significant Accounting Policies forming part of the accounts for the year ended 31st March 2019

V. Revenue Recognition

Revenue from sale of products is recognized on invoice and delivery. Revenue on sale of services is recognised once the service is completely provided to the customers.

VI. Other Income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

VII. Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Firm reassesses unrecognised deferred tax assets, if any.

VIII. Employee benefits

The Firm's obligations towards various employee benefits have been recognised as follows:

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, short-term compensated absences and the expected cost of other benefits is recognised in the period in which the employee renders the related service.

IX. Provisions, Contingent Liabilities and Contingent Assets

A provision shall be recognised when a person has a present obligation as a result of a past event; it is reasonably certain that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If these conditions are not met, no provision shall be recognised.

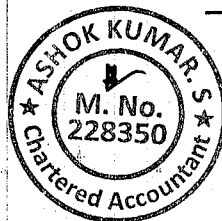
Contingent Liabilities are disclosed in the notes when the firm has a possible obligation or a present obligation and it is probable that a cash flow will not be required to settle the obligation. Contingent liabilities are not provided for.

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



BLUE SKY INFOTECH**Notes forming part of the Financial Statements***(Amount in Rs)*

Note Particulars	March 31, 2019	March 31, 2018
3 Partners Capital Account		
Kaushiks' capital account	1,000	1,000
Lakshmis' capital account	99,000	99,000
	<u>1,00,000</u>	<u>1,00,000</u>
4 Partners Current Account		
Kaushiks' current account:		
Opening Balance	63,450	44,164
Add: Transactions during the period [Net]	-	-
Add(less): Profit(loss) transferred from PL	39,084	19,286
Total	<u>1,02,534</u>	<u>63,450</u>
Lakshmis' current account:		
Opening Balance	42,63,938	23,39,655
Add: Transactions during the period [Net]	-	15,000
Add(less): Profit(loss) transferred from PL	38,69,340	19,09,283
Total	<u>81,33,278</u>	<u>42,63,938</u>
	<u>82,35,812</u>	<u>43,27,388</u>
5 Short-Term Borrowings		
Unsecured loans from V Srinivasan	1,50,00,000	-
	<u>1,50,00,000</u>	<u>-</u>
6 Trade Payables		
Trade payables	-	4,09,914
	<u>-</u>	<u>4,09,914</u>
7 Other Current Liabilities		
Statutory Payables	15,31,977	1,50,953
Advance received from customers	17,37,946	30,70,497
Employee benefits payable	7,00,000	4,51,832
Security Deposits payable	42,883	42,883
Other Payables	12,08,389	4,27,944
Other Provisions	44,000	21,000
	<u>52,65,196</u>	<u>41,65,109</u>

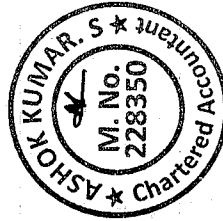


BLUE SKY INFOTECH

Notes forming part of the Financial Statements

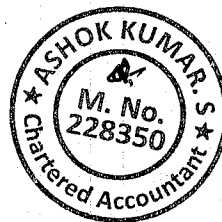
(Amount in Rs.)

	Gross Block						Depreciation	
	WDV as at 01/04/2018	Additions > 180 days	Additions < 180 days	Deletions	As at 31-03-2019	Depreciation Rate	Depreciation	WDV as at 31/03/2019
Own Assets:								
Furniture and Fixtures	17,139				17,139	10%	1,714	15,425
Office Equipments	37,451	1,98,999	18,199		2,54,649	15%	36,832	2,17,816
Computers & Computer Software	3,231	60,700			63,931	40%	25,572	38,359
Total	57,821	2,59,699	18,199	-	3,35,719	-	64,119	2,71,600
March 31, 2018	68,487	-	-	-	68,487	-	10,667	57,820



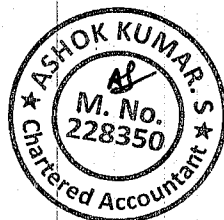
BLUE SKY INFOTECH**Notes forming part of the Financial Statements***(Amount in Rs.)*

Note	Particulars	March 31, 2019	March 31, 2018
9	Long Term Loans and Advances		
	Security deposit	2,05,000	2,05,000
		<u>2,05,000</u>	<u>2,05,000</u>
10	Inventories		
	Digital Signature	1,96,74,214	-
	Tokens/FP devices	9,51,705	7,31,346
		<u>2,06,25,919</u>	<u>7,31,346</u>
11	Trade Receivables		
	Unsecured outstanding receivables	4,29,374	3,48,555
		<u>4,29,374</u>	<u>3,48,555</u>
12	Cash and bank balances		
	Cash and cash equivalents		
	Cash in hand		-
	Bank Balances :		
	In current accounts	18,20,621	12,66,413
		<u>18,20,621</u>	<u>12,66,413</u>
13	Short-Term Loans and Advances		
	Prepaid Expenses	1,14,847	-
	Advances Recoverable in cash or kind	12,895	2,94,372
	Unbilled Revenue	7,56,534	-
	Other Advances	5,67,377	50,00,000
	Advance for tax [Net of Provisions]	2,23,955	1,13,626
	Balances with government authorities(Net)	35,72,887	9,85,279
		<u>52,48,495</u>	<u>63,93,277</u>



BLUE SKY INFOTECH**Notes forming part of the Financial Statements***(Amount in Rs.)*

Note	Particulars	March 31, 2019	March 31, 2018
14	Other Income		
	Interest income	-	3,752
		-	3,752
15	Direct Expenses		
	Courier and collection charges	8,95,250	30,89,565
	PAN Manangement fees	1,00,41,900	67,50,000
	Payment gateway charges	5,76,103	3,97,903
		1,15,13,253	1,02,37,468
16	Purchases of Stock-in-Trade		
	Purchase of Tokens	8,12,20,626	3,65,89,000
	Purchase of Digital Signature	5,72,25,405	73,54,467
		13,84,46,031	4,39,43,467
17	Changes in Inventories of Stock-in-Trade		
	Opening Stock		
	Tokens/FP devices	7,31,346	6,21,238
	Digital Signature	-	8,25,359
		7,31,346	14,46,597
	Closing Stock		
	Tokens/FP devices	9,51,705	7,31,346
	Digital Signature	1,96,74,214	-
		2,06,25,919	7,31,346
		(1,98,94,573)	7,15,251
18	Employee Benefit Expense		
	Salary and allowances	43,22,342	24,44,840
	Bonus and incentives	7,00,000	4,51,832
	Staff welfare expenses	47,814	16,828
		50,70,156	29,13,500
19	Other Expenses		
	Rent Expenses	2,82,300	2,23,800
	Marketing and Business promotion expenses	1,47,43,922	45,54,880
	Fee, rates and taxes	5,400	21,164
	Administration expenses	20,628	14,654
	Bank Charges	6,979	6,632
	Communication expenses	5,73,056	1,15,160
	Miscellaneous expenses	2,35,487	1,18,717
	Insurance expenses	61,002	-
	Repair & Maintenance	81,200	17,400
	Courier charges	3,16,525	97,964
	Professional charges	1,40,100	5,20,000
	Printing and stationary	8,300	4,877
	Traveling and boarding expenses	27,784	42,155
	Electricity charges	32,810	32,382
		1,65,35,494	57,69,785



BLUE SKY INFOTECH

Notes to accounts forming part of the accounts for the year ended 31st March 2019

NOTE 20

OTHER NOTES TO ACCOUNTS

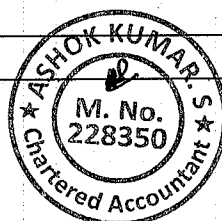
1. Sundry Debtors, Deposits and Loans and Advances are subject to confirmation.
2. Provision for income tax has been made in the accounts on the basis of firm's own computation.
3. The firm has not exceeded the minimum required number of employees under the various Labour laws and hence employee benefits such as Gratuity and other defined contribution/ benefit plans are not applicable. There is also no scheme for encashment of earned leave. The un availed carried forward earned leave is not material, hence no provisions are made towards such employee benefits. Other employee benefits being current expenditure have been fully accrued in the accounts.
4. In the opinion of the management, none of the assets have a value lower, on realisation in the ordinary course of business, than the amount at which they are stated in the Balance Sheet.
5. **Related Party Disclosures**

a) Related parties

Party	Relationship
Emudhra Ltd	Enterprise in which the partner/relative of the partner are interested
Cedar Grove Real Estates Private Limited	
Emudhra Technology Limited	
Smartcraft Private Limited	
Kaushik Srinivasan	Partner
Lakshmi Kaushik	Partner
Srinivasan	Relative of Partners

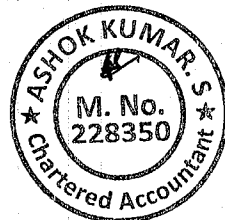
b) Transactions with related parties during the year

S No	Details of Transactions	2019	2018
1	Purchase of Goods		
a.	Emudhra Ltd	11,09,67,587	4,02,75,800
2	Services Received		
a.	Emudhra Ltd	7,70,16,000	32,62,406
b.	Smart Craft Private Limited	70,80,000	-
3	Sale of Products		
a.	Smartcraft Private Limited	-	2,69,189
b.	Emudhra Technology Limited	7,73,90,300	3,54,60,000
c.	Emudhra Limited	2,41,605	-



BLUE SKY INFOTECHNotes to accounts forming part of the accounts for the year ended 31st March 2019

S No	Details of Transactions	2019	2018
4	Sale of Services		
a.	Emudhra Ltd	-	8,97,012
5	Commission Received		
a.	Emudhra Ltd	1,00,39,159	31,84,154
6	Salary Paid		
a.	Lakshmi Kaushik	11,08,800	10,08,000
7	Professional Charges Paid		
a.	Emudhra Technology Limited	-	5,00,000
b.	Emudhra Ltd	46,40,000	67,50,000
8	Marketing Expenses Paid		
a	Smartcraft Private Limited	-	-
9	Loans Received		
a	Srinivasan	2,50,00,000	1,50,00,000
10	Loans Repaid		
a	Srinivasan	1,00,00,000	1,50,00,000
11	Deposits/ Loans Made		
a.	Emudhra Ltd	-	1,00,000
b.	V Srinivasan	-	50,00,000
12	Deposits Refunded		
a.	Emudhra Ltd	-	25,932
13	Reimbursement of Expenses		
a.	Emudhra Ltd	1,20,000	11,74,068
14	Closing Balance as on 31st March		
	Due from		
	Emudhra Ltd (net)	-	1,53,755
	V Srinivasan	1,50,00,000	50,00,000



BLUE SKY INFOTECH

Notes to accounts forming part of the accounts for the year ended 31st March 2019

6. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.
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Signature for Schedules 1 to 20

For and on behalf of Blue Sky Infotech

As per my report of even date attached

S. Kaushik
KAUSHIK SRINIVASAN
Partner



Lakshmi Kaushik
LAKSHMI KAUSHIK
Partner



A. Ashok
ASHOK KUMAR S
Proprietor
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