

Independent Auditor's Report

To the Members of **LIVQUIK TECHNOLOGY (INDIA) PRIVATE LIMITED**

Opinion

We have audited the accompanying financial statements of **Livquik Technology (India) Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit & Loss, the Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are

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reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

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

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

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financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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 sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Statement of Profit & Loss and the Statement of Cash Flows comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Accounting Standards) Amendment Rules, 2016.

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- e) On the basis of written representations received from the Directors as on 31st March, 2020, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2020, 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:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - (ii) The Company has made a provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

For **D. B. Ketkar & Co.**
Chartered Accountants
FRN: 105007W



N. S. Ketkar
(Partner)

Membership No.: 040521

Place: Mumbai

Date: 28th July 2020

UDIN: 20040521AAAHE3278



D.B. Ketkar & Co.

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Annexure – A to the Auditor’s Report

The Annexure referred to in paragraph 1 of the Auditor’s Report on Other Legal and Regulatory Requirements of even date to the members of the Company on the financial statements for the year ended 31st March, 2020.

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - 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 deed of immovable property is held in the name of the Company.
- ii. The Company did not have any physical inventory during the year. Accordingly, the provisions of clause (ii) (a) and (b) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- v. The Company has not accepted any deposits from the public.
- 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.
- vii.
 - a. According to the information and explanation given to us and based on the records of the Company examined by us, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Value Added Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

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- b. According to the information and explanations given to us, there are no material dues of service-tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount (₹)	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Tax	4,326,840/-	AY 2014-15	Commissioner of Income Tax (Appeals)

- viii. The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The provisions of Section 197 are not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.
- 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 our examination 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

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- 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 a private placement of shares 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. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For D. B. Ketkar & Co.
Chartered Accountants
FRN: 105007W



N. S. Ketkar
(Partner)

Membership No.: 040521

Place: Mumbai
Date: 28th July 2020



D.B. Ketkar & Co.

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Annexure – B to the Auditor’s 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 **Livquik Technology (India) Private Limited** (“the Company”) as of 31st March, 2020 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.

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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 assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and 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.

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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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 D. B. Ketkar & Co.
Chartered Accountants
FRN: 105007W



N. S. Ketkar
(Partner)

Membership No.: 040521

Place: Mumbai
Date: 28th July 2020



LIVQUIK TECHNOLOGY (INDIA) PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH 2020

PARTICULARS	NOTE NO.	AS AT	AS AT
		31 MARCH 2020	31 MARCH 2019
		Rs.	Rs.
<u>I. EQUITY AND LIABILITIES</u>			
1. Shareholders Funds			
a. Share Capital	3	9,31,82,483	7,53,88,889
b. Reserves and Surplus	4	8,63,046	(2,08,94,388)
2. Share Application Money Pending Allotment			
		-	-
3. Non-Current Liabilities			
a. Long-Term Provisions	9	28,63,245	17,86,380
4. Current Liabilities			
a. Trade Payable	5	70,42,619	24,67,172
b. Other Current Liabilities	6	72,25,202	6,37,742
c. Short-Term Provisions	7	90,66,696	58,40,666
d. Short-Term Borrowings	8	1,26,49,125	-
TOTAL		13,28,92,416	6,52,26,461
<u>II. ASSETS</u>			
5. Non-Current Assets			
a. Property Plant and Equipment			
(i) Tangible Assets	10	68,31,235	10,55,256
(ii) Intangible Assets		-	-
(iii) Capital Work In Progress		-	52,08,676
(iv) Intangible Assets Under Development		-	-
b. Deferred Tax Asset		-	-
c. Long-term loans and advances	11	1,54,66,548	56,57,788
d. Long-term Investments	12	2,00,00,000	2,00,00,000
6. Current Assets			
a. Current Investments	13	5,63,01,370	92,67,804
b. Trade Receivables	14	2,50,05,623	1,45,82,581
b. Cash and Cash Equivalents	15	62,10,225	63,85,545
c. Short-Term Loans and Advances	16	1,70,214	17,78,562
d. Other Current Assets	17	29,07,201	12,90,250
TOTAL		13,28,92,416	6,52,26,461
Contingent Liabilities and Commitments	18		
Corporate Information & Significant Accounting Policies	1-2		

As per our report of even date

For **D.B. Ketkar & Co.**

Chartered Accountants

FRN: 105007W



N. S. Ketkar

Partner

Membership No.: 040521

UDIN - 20040521AAAAHE3278

Place : Mumbai

Date : 28-07-2020



For and on behalf of the Board



Mohit Lalvani

Managing Director

DIN:05144014



Karan Talwar

Director

DIN:07994088



Viral Gandhi

Company Secretary

Membership No - A38927

LIVQUIK TECHNOLOGY (INDIA) PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31 MARCH 2020

PARTICULARS	NOTE NO.	FOR THE PERIOD ENDED 31 MARCH 2020	FOR THE YEAR ENDED 31 MARCH 2019
		Rs.	Rs.
I. Revenue From Operations	19	10,95,91,094	4,47,71,129
II. Other Income	20	34,87,805	5,19,923
III. Total Revenue (I +II)		11,30,78,899	4,52,91,052
IV. Expenses			
a. Employee Benefit Expenses	21	7,75,42,846	3,28,72,685
b. Finance Cost	22	8,04,708	44,578
c. Other Expenses	23	4,43,12,014	2,54,29,873
d. Depreciation	24	13,99,538	37,24,882
V. Total Expenses		12,40,59,106	6,20,72,017
VI. Profit Before Exceptional & Extraordinary Items & Tax (III-V)		(1,09,80,207)	(1,67,80,965)
VII. Exceptional Items		-	-
VIII. Profit Before Extraordinary Items & Tax (VI-VII)		(1,09,80,207)	(1,67,80,965)
IX. Extraordinary Items		-	-
X. Profit Before Tax (VIII-IX)		(1,09,80,207)	(1,67,80,965)
XI. Tax Expense			
a. Current Tax		-	-
b. Deferred Tax		-	-
XII. Profit for the Year from Continuing Operations (X-XI)		(1,09,80,207)	(1,67,80,965)
XIII. Profit from Discontinuing Operations		-	-
XIV. Tax Expense of Discontinuing Operations		-	-
XV. Profit for the Year from Discontinuing Operations (XIII-XIV)		-	-
XVI. Profit for the Year (XII+XV)		(1,09,80,207)	(1,67,80,965)
XVII. Earnings Per Share	25		
a. Basic		(0.13)	(0.29)
b. Diluted		(0.14)	(0.29)
Additional Information to the Financial Statements	26		

As per our report of even date
For D.B. Ketkar & Co.
Chartered Accountants
FRN: 105007W



N. S. Ketkar
Partner
Membership No.: 040521
UDIN - 20040521AAAAHE3278
Place : Mumbai
Date : 28-07-2020



For and on behalf of the Board


Mohit Lalvani
Managing Director
DIN:05144014


Karan Talwar
Director
DIN:07994088


Viral Gandhi
Company Secretary
Membership No - A38927

LIVQUIK TECHNOLOGY (INDIA) PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

PARTICULARS	FOR THE PERIOD ENDED	FOR THE YEAR ENDED
	31 MARCH 2020	31 MARCH 2019
	Rs.	Rs.
A. Cash flow from operating activities:		
Profit before tax	(1,09,80,207)	(1,67,80,965)
Adjustments:		
Depreciation and amortization	13,99,538	41,43,945
Loss from sale of Assets	-	6,63,408
Adjustment in Depreciation	-	(4,19,064)
Interest income/Dividend Earned	-	-
Interest on Income Tax	(11,606)	-
ESOP	5,31,235	8,84,790
Gratuity Provision	10,76,865	17,86,380
Working capital changes:		
Change In Trade Receivable	(1,04,23,042)	(1,22,94,014)
Change In Current Investments	(4,70,33,566)	(45,81,980)
Change In Short term Loans and Advances	16,08,348	(11,61,937)
Change In Other Current Assets	(16,16,952)	(10,66,308)
Change In Other Current Liabilities	65,87,460	4,89,017
Change In Short term Provision	32,26,030	37,42,262
Change In Trade Payable	45,75,447	22,04,899
Net cash generated from operations	(5,10,60,450)	(2,23,89,567)
Refund / Paid of Direct taxes	(1,06,08,760)	(12,78,504)
Net cash generated by operating activities	(6,16,69,210)	(2,36,68,071)
B. Cash flow from investing activities:		
Purchase of fixed assets including WIP	(19,66,841)	(63,08,466)
Purchase of investments	-	(2,00,00,000)
Security Deposit Given	-	(13,34,000)
Security Deposit Refund	8,00,000	-
Interest on Investment	-	-
Maturity of Investments	-	-
Net cash used in investing activities	(11,66,841)	(2,76,42,466)
B. Cash flow from financing activities:		
Proceeds from Long term and Short term Borrowings	1,26,49,125	-
Proceeds from Warrant	-	-
Proceed from Share Capital	5,00,00,000	5,50,00,000
Share Issue Expenses	-	(13,60,500)
Interest from Income Tax Refund	11,606	-
Net cash from financing activities	6,26,60,731	5,36,39,500
Net increase in cash and cash equivalents during the year	(1,75,320)	23,28,961
Cash and cash equivalents at the beginning of the year	63,85,545	40,56,583
Cash and cash equivalents at the end of the year	62,10,225	63,85,545

As per our report of even date

For **D.B. Ketkar & Co.**

Chartered Accountants

FRN: 105007W



N. S. Ketkar

Partner

Membership No.: 040521

UDIN - 20040521AAAAHE3278

Place : Mumbai

Date : 28-07-2020



For and on behalf of the Board



Mohit Lalvani
Managing Director
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