

BLUE SKY INFOTECH
Balance Sheet as at 31st March

Particulars	Note	March 31, 2020	March 31, 2019
LIABILITIES			
Capital Accounts			
Partners Capital Account	3	100,000	100,000
Partners Current Account	4	11,772,325	8,235,812
Current liabilities			
Short-term borrowings	5	39,051,250	15,000,000
Trade Payables	6	-	-
Other Current Liabilities	7	4,443,427	5,265,196
Total		55,367,002	28,601,008
ASSETS			
Non-Current Assets			
Fixed assets at WDV	8	408,771	271,600
Long Term Loans and Advances	9	220,748	252,216
Current Assets			
Inventories	10	18,249,341	20,625,919
Trade Receivables	11	4,598,064	382,158
Cash and bank balances	12	3,602,832	1,820,621
Short-Term Loans and Advances	13	28,287,246	5,248,495
Total		55,367,002	28,601,008

Summary of Significant Accounting Policies

2

The notes are an integral part of these financial statements.

For and on behalf of Blue Sky Infotech

S. Kaushik

KAUSHIK SRINIVASAN
Partner

Lakshmi Kaushik

LAKSHMI KAUSHIK
Partner

As per my report of even date attached
SATISH KUMAR N
Chartered Accountant



Satish Kumar N

SATISH KUMAR N
Proprietor
M.No.: 237735

Place: Bangalore
Date: 13.10.2020

Place: Bangalore
Date: 13.10.2020



BLUE SKY INFOTECH

Profit and Loss Account for the year ended 31st March

Particulars	Note	March 31, 2020	March 31, 2019
Revenue From Operations		167,056,377	157,474,792
Other Income	14	6,845	-
Total Revenue		167,063,222	157,474,792
Expense:			
Direct Expenses	15	24,251,777	26,257,175
Purchases of Stock-in-Trade	16	127,229,490	138,446,031
Changes in Inventories of Stock-in-Trade	17	2,376,578	(19,894,573)
Employee Benefit Expense	18	5,636,619	5,070,156
Depreciation and Amortization Expense	8	66,629	64,119
Other Expenses	19	2,227,616	1,791,571
Total Expenses :		161,788,709	151,734,479
Profit Before Tax		5,274,513	5,740,313
Tax Expense:			
Current Tax		1,738,000	1,831,889
Profit/(Loss) for the year transferred to Partners Current Account		3,536,513	3,908,424

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

SATISH KUMAR N

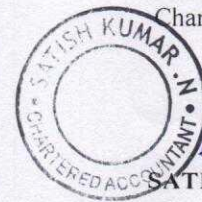
Chartered Accountant

S. Kaushik

KAUSHIK SRINIVASAN
Partner

Lakshmi

LAKSHMI KAUSHIK
Partner



SATISH KUMAR N

Proprietor

M.No.: 237735

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BLUE SKY INFOTECH

Significant Accounting Policies forming part of the accounts for the year ended 31.03.2020

1. Background

M/s Blue Sky Infotech is a partnership firm which commenced operations on 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

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis. Consequently, these financial statements have been prepared to comply with 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 judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, 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 recognized 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 capitalizes all costs relating to 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 recognized in the Profit and Loss account, losses arising from the retirement of, and gains or losses arising from the disposal of fixed assets which are carried at cost are recognized 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

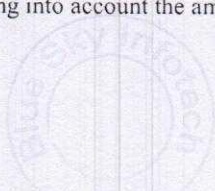
Inventories are valued at the lower of cost, computed on a weighted average cost basis and estimated net realizable value.

V. Revenue Recognition

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

VI. Other Income

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



BLUE SKY INFOTECH

Significant Accounting Policies forming part of the accounts for the year ended 31.03.2020

VII. Current and Deferred Tax

Tax expense comprising current tax and deferred tax are recognized in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized 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 realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or subsequently enacted by the Balance sheet date. At the end of Balance sheet date, the Firm reassesses unrecognized deferred tax assets, if any.

VIII. Employee benefits

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

Short-term employee benefits:

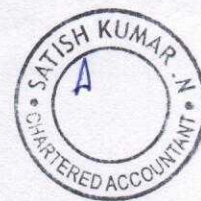
All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, short-term compensated absences and the expected cost of other benefits is recognized in the period in which the employee renders the related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

IX. Provisions, Contingent Liabilities and Contingent Assets

A provision shall be recognized when a person has a present obligation as a result of past events; 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 recognized.

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

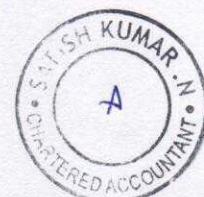
Contingent assets are neither recognized nor disclosed in the financial statements.



BLUE SKY INFOTECH

Notes forming part of the Financial Statements

Note Particulars	March 31, 2020	March 31, 2019
3 Partners Capital Account		
Kaushiks' capital account	1,000	1,000
Lakshmis' capital account	99,000	99,000
	<u>100,000</u>	<u>100,000</u>
4 Partners Current Account		
Kaushiks' current account:		
Opening Balance	102,534	63,450
Add: Transactions during the period [Net]	-	-
Add(less): Profit(loss) transferred from PL	35,365	39,084
Total	<u>137,899</u>	<u>102,534</u>
Lakshmis' current account:		
Opening Balance	8,133,278	4,263,938
Add: Transactions during the period [Net]	-	-
Add(less): Profit(loss) transferred from PL	3,501,148	3,869,340
Total	<u>11,634,426</u>	<u>8,133,278</u>
	<u>11,772,325</u>	<u>8,235,812</u>
5 Short-Term Borrowings		
Unsecured loans from V Srinivasan	39,051,250	15,000,000
	<u>39,051,250</u>	<u>15,000,000</u>
6 Trade Payables		
Trade payables	-	-
	<u>-</u>	<u>-</u>
7 Other Current Liabilities		
Statutory Payables (Tax deducted at source))	2,031,424	1,531,977
Provision for tax [Net of TDS]	165,147	-
Advance received from customers	245,690	62,509
Employee benefits payable	733,576	700,000
Security Deposits payable	-	42,883
Other Payables	1,267,590	2,883,826
Other Provisions	-	44,000
	<u>4,443,427</u>	<u>5,265,196</u>



BLUE SKY INFOTECH

Notes forming part of the Financial Statements

8 Tangible assets

(Amount in Rs.)

	Gross Block					Depreciation	
	WDV as at 01/04/2019	Additions > 180 days	Additions < 180 days	Deletions	As at 31-03-2020	Depreciation Rate	WDV as at 31/03/2020
Own Assets:							
Furniture and Fixtures	15,425	-	-	-	15,425	10%	13,883
Office Equipments	217,816	23,800	180,000	-	421,616	15%	371,874
Computers & Computer Software	38,359	-	-	-	38,359	40%	23,015
Total	271,600	23,800	180,000	-	475,400		408,771
March 31, 2019	57,821	259,699	18,199	-	335,719		271,600



BLUE SKY INFOTECH**Notes forming part of the Financial Statements**

Note	Particulars	March 31, 2020	March 31, 2019
9	Long Term Loans and Advances		
	Security deposit	220,748	252,216
		<u>220,748</u>	<u>252,216</u>
10	Inventories		
	Digital Signature	17,063,428	19,674,214
	Tokens/FP devices	1,185,913	951,705
		<u>18,249,341</u>	<u>20,625,919</u>
11	Trade Receivables		
	Unsecured outstanding receivables	4,598,064	382,158
		<u>4,598,064</u>	<u>382,158</u>
12	Cash and bank balances		
	Cash and cash equivalents		
	Cash in hand		-
	Bank Balances :		
	In current accounts	3,602,832	1,820,621
		<u>3,602,832</u>	<u>1,820,621</u>
13	Short-Term Loans and Advances		
	Unsecured, considered goods		
	- Associate Company	21,600,000	-
	Prepaid Expenses	71,566	114,847
	Advances Recoverable in cash or kind	-	12,895
	Unbilled Revenue	2,491,977	756,534
	Other Advances	-	567,377
	Advance for tax [Net of Provisions]	-	223,955
	Balances with government authorities(Net)	4,123,703	3,572,887
		<u>28,287,246</u>	<u>5,248,495</u>



BLUE SKY INFOTECH**Notes forming part of the Financial Statements**

Note	Particulars	March 31, 2020	March 31, 2019
14 Other Income			
	Interest on income tax refund	6,845	-
		<u>6,845</u>	<u>-</u>
15 Direct Expenses			
	Courier and collection charges	500,860	895,250
	DSC/PAN sales and issuance expenses	15,643,379	10,041,900
	Payment gateway charges	1,093,552	576,103
	Marketing expenses	7,013,986	14,743,922
		<u>24,251,777</u>	<u>26,257,175</u>
16 Purchases of Stock-in-Trade			
	Purchase of Tokens	82,178,910	81,220,626
	Purchase of Digital Signature	45,050,580	57,225,405
		<u>127,229,490</u>	<u>138,446,031</u>
17 Changes in Inventories of Stock-in-Trade			
	Opening Stock		
	Tokens/FP devices	951,705	731,346
	Digital Signature	19,674,214	-
		<u>20,625,919</u>	<u>731,346</u>
	Closing Stock		
	Tokens/FP devices	1,185,913	951,705
	Digital Signature	17,063,428	19,674,214
		<u>18,249,341</u>	<u>20,625,919</u>
		<u>2,376,578</u>	<u>(19,894,573)</u>
18 Employee Benefit Expense			
	Salary and allowances	4,914,561	4,322,342
	Bonus and incentives	700,000	700,000
	Staff welfare expenses	22,058	47,814
		<u>5,636,619</u>	<u>5,070,156</u>
19 Other Expenses			
	Rent expenses	226,874	282,300
	Fee, rates and taxes	258,785	5,400
	Administration expenses	16,645	20,628
	Bank charges	4,735	6,979
	Communication expenses	854,154	573,056
	Miscellaneous expenses	13,008	2,196
	Technology expenses	575,145	233,291
	Insurance expenses	73,597	61,002
	Repair & Maintenance	21,200	81,200
	Courier charges	2,668	316,525
	Professional charges	67,500	140,100
	Printing and stationary	5,635	8,300
	Interest on income tax	37,911	-
	Traveling and boarding expenses	34,890	27,784
	Electricity charges	34,869	1,791,571
		<u>2,227,616</u>	<u>2,791,571</u>